8.3 Trade and other receivables

Trade and other receivables originated by the municipality are stated at cost less provision for doubtful debts.

8.4 Cash and cash equivalents

Cash and equivalents are measured at fair value.

8.5 Financial liabilities.

Non-derivative financial liabilities are recognized at amortized cost, comprising original dent less principal payments and amortizations.

9. INVENTORIES

Stores and materials held by Council are solely for use in the Roads Agency's operations and have been transferred to the relevant accounts. The balance sheet value of stores and materials, shown on the Roads Agency balance sheet as from June 2003, is determined by physical count and calculated at applicable cost.

10. ACCOUNTS RECEIVABLE

Accounts receivable are carried at original invoice amount less an estimate made for impairment based on a review of all outstanding amounts at year-end. Bad debts are written off during the year in which they are identified. Amounts that are receivable within twelve months from the reporting date are classified as current.

11. TRADE CREDITORS

Trade creditors and other payables are carried at the fair value of the consideration to be paid in future for goods or services that have been received or supplied and invoiced or formally agreed with the supplier.

12. REVENUE RECOGNITION

Service charges relating to water sales at Koopmansfontein are based on consumption. Meters are read on a monthly basis and are recognised as revenue When invoiced.

Interest and rentals are recognised on a time proportion basis.

Revenue for agency services is recognised on a monthly basis in accordance with the agency agreement.
Other revenue is recognised when all conditions associated with the service rendered have been met.

13. CONDITIONAL GRANTS AND SUBSIDIES

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognized.

13.1 Unutilized Conditional Grants

Unutilized conditional grants are reflected on the Statement of Financial Position as a creditor. They represent unspent government grants, subsidies and contributions from the public. This creditor always has to be backed by cash. The following provisions are set for the creation and utilization of this creditor.

- The cash, which backs up the creditor, is invested until it is utilized.
- Interest earned on the investment is treated in accordance with grant conditions, if it is payable to the funder it is recorded as part of the creditor. If it is the municipality's interest it is recognized as interest earned in the Statement of Financial Position.
- Whenever an asset is purchased out of an unutilized conditional grant, an amount equal to the cost price of the asset is transferred from Unutilized Capital Receipts to the Statement of Financial Performance as revenue. Therefore an equal amount is transferred on the statement of changes in the net assets to the donations and public contributions reserve. This reverse is equal to the remaining depreciable value (book value) of assets purchased out of unutilized capital receipts. The reserve is used to offset depreciation charged on assets purchased out of unutilized capital receipts.

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14. PROVISIONS

A provision is recognized when the municipality has a present obligation(legal or constructive) as a result of a past event and it is probable(i.e. more likely than not) that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, and a reliable estimate can be made of the obligation.

Council's provisions for future liabilities include:

- *Personnel leave benefits*, based on the total leave days due on the reporting date, calculated at salary scales applicable at the reporting date. No provision is made for leave obligations in respect of Roads Agency personnel as this liability does not apply to Council.

15. CASH AND CASH EQUIVALENTS

Cash includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value.

For the purpose of the cash flow statement, cash and cash equivalents comprise of cash on hand, deposits held on call with banks and investments in financial instruments and the net value of bank overdrafts. In the balance sheet, bank overdrafts are included in borrowings under current liabilities.

Bank overdrafts are recorded based on facility utilised. Finance charges on bank overdraft are expensed as incurred.

16. EMPLOYEE BENEFITS

16.1 Post retirement pension benefits

The District Municipality contributes to the following post retirement funds - Cape Joint Pension fund, Cape Joint Retirement fund and SAMWU Retirement fund which provides for retirement benefits to its employees.

Actuarial gains and losses arising from experience adjustments and charges in actuarial assumptions in excess of the greater of 10% of the value of plan assets or 10% of the defined benefit obligation are charged or credited to the income over the employees expected average remaining working lives.

Past-service costs are recognized immediately in income, unless the changes to the pension plan are conditional on the employees remaining in services for a specific period of time (vesting period). In this instance the past-service costs are amortised on a straight-line basis over the vesting period.

For defined contribution plans, the District Municipality pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The contributions are recognized as employee benefit expenses when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or reduction in the future payments is available.

At present Council is paying, out of own funds, pensions to certain persons from the former Divisional Council Vaalrivier who retired before 31 December 1990.

It is an unfunded post-employment benefit and the amount paid per year is recognised as an expense on the operating account.

16.2. Post –retirement medical benefits

The District Municipality provides post-retirement medical benefits by subsidizing the medical aid contributions of certain retired staff according to the rules of the medical aid funds. Council pay 70% as contribution and remaining 30% are paid by members. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit pension plans.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions in excess of the greater of 10 % of the value of plan assets or 10% of the defined obligation, is charged or credited to the Statement of Financial Performance over the expected average remaining working lives of the related employees. These obligations are valued annually by independent qualified actuaries. (See note: 27)

However no valuations of these obligations were carried out for the year end as 30 June 2007, by independent actuaries due to the Minister of Finance promulgation per General Notice 522 of 2007 where municipalities are exempted form compliance with regards to AC 116 (Employee Benefits) defined benefit accounting as far as it relates to defined benefit plans accounted for as defined contribution plans and the defined benefit obligation disclosed by narrative information. [Paragraphs 29, 48-119, 120A(q)] .

17. UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in a form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No. 56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

18. IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No. 56 of 2003), the Municipal Systems Act (Act No. 32 of 200), the Public Office Bearers Act, and (Act. No. 20 of 1998) or is in contravention of the Municipality's Supply Chain Management Policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

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19. FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and could have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

20. COMPARATIVE INFORMATION

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

21. C0NTENGENT LIABILITIES

Contingent liabilities existent at the reporting date include housing loan guarantees issued by arrangement with Council's bankers. An investment has been ceded to the bank for global security against individual guarantees issued for collateral security provided for approved employees.
Other known contingent liabilities are reflected in the financial statements.

22. AGENCY SERVICES

Council performs a cost-based roads maintenance service on behalf of the Department of Transport, Roads and Public Works of the Northern Cape Province.

Financial reporting on agency services is excluded from these statements as the principal requires reports to be submitted for processing on their independent system.

Inter-authority obligations relevant to the agency service on the reporting date are reflected in the balance sheet.

23. SEGMENTAL INFORMATION

The principle segments have been identified according to service operation (Internal Structure) and by classification of revenue and expenditure as per functional grouping of activity cost determined by National Treasury.

24. AMENDED DISCLOSURE POLICY

Amendments to accounting policies are reported as and when deemed necessary based on the relevance of any such amendment to the format and presentation of the financial statements. he principal amendments to matters disclosed in the current financial statements include fundamental errors, and the treatment of assets financed by external grants.

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FINANCIAL STATEMENTS

30 JUNE 2008

FRANCES BAARD DISTRICT MUNICIPALITY

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED ON 30 JUNE 2008

	Note	2008 R	2007 R
NET ASSETS AND LIABILITIES			
Net Assets		75,798,297	72,877,691
Capital Replacement Reserve		8,953,491	5,921,921
Government Grant Reserve		493,093	688,081
Fixed Property Revaluation		6,628,150	6,859,372
Accumulated Surplus / (Deficit)		59,723,563	59,408,318
Non-current Liabilities		-	-
Long-term Liabilities	1	-	-
Current Liabilities		15,255,965	21,341,783
Creditors	2	3,327,899	2,308,915
Unspent Conditional Grants and Receipts	3	11,928,067	15,360,600
Current Portion of Long-term Liabilities	1	-	-
Bank Overdraft	11	-	3,672,269
TOTAL: NET ASSETS AND LIABILITIES		91,054,262	94,219,474
ASSETS			
Non-current Assets		16,797,637	11,394,608
Property, Plant and Equipment	4	16,791,915	11,388,886
Investments	5	5,722	5,722
Long-term Receivables	6	-	-
Current Assets		74,256,624	82,824,866
VAT	9	2,553,167	2,155,966
Consumer Debtors	7	320	287
Other Debtors	8	3,801,423	5,337,924
Current Portion of Long-term Debtors	6	-	27,389
Call Investment Deposits	10	67,300,000	75,300,000
Bank Balances and Cash	11	601,714	3,300
TOTAL: ASSETS		91,054,262	94,219,474

FRANCES BAARD DISTRICT MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED ON 30 JUNE 2008

Budget 2008 R	Budget 2007 R		Note	Actual 2008 R	Actual 2007 R
		REVENUE			
18,260	18,052	Service charges	12	11,620	12,357
-	-	Sundry revenue: RSC Levies		-	828,887
30,000	-	Rental of facilities and equipment		59,358	42,843
6,250,000	3,580,000	Interest earned - external investments		9,033,937	7,716,239
3,400	18,300	Interest earned - outstanding debtors		550	8,071
650,000	640,000	Income for agency services		667,264	623,308
57,588,195	56,234,000	Government grants and subsidies	13	65,258,339	65,530,976
1,017,000	285,800	Other income	14	770,772	210,009
-	70,000	Gains on disposal of property, plant and equipment		15,352	55,789
65,556,855	**60,846,152**	**TOTAL REVENUE**		**75,817,193**	**75,028,479**
		EXPENDITURE			
22,626,895	18,456,890	Employee related costs	15	20,039,638	16,195,772
3,932,940	4,505,370	Remuneration of Councilors	16	3,560,852	2,538,856
-	16,010	Bad debts		15,114	1,225
50,000	550,000	Collection costs		218,814	452,860
1,292,770	1,384,865	Depreciation		1,311,004	1,195,494
1,861,140	1,536,780	Repairs and maintenance		774,151	827,595
-	1,083,550	Interest paid	17	-	1,083,539
54,800	22,700	Bulk purchases	18	13,570	18,540
5,606,945	4,410,390	Contracted services		3,140,234	2,603,867
42,056,510	38,703,705	Grants and subsidies paid	19	38,942,807	40,896,597
6,703,665	6,878,140	General expenses		4,874,799	3,811,374
		Pre-payment Penalty on Settlement - DBSA Loan		-	800,000
		Change in Estimates: Adjustment i.r.o provision for bad debt		-	-805,427
-	-	Loss on disposal of property, plant and equipment		5,603	6,323
84,185,665	**77,548,400**	**TOTAL EXPENDITURE**		**72,896,587**	**69,626,615**
(18,628,810)	**(16,702,248)**	**SURPLUS / (DEFICIT) FOR THE YEAR**		**2,920,605**	**5,401,864**

FRANCES BAARD DISTRICT MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED ON 30 JUNE 2008

	Capital Replacement Reserve R	Government Grant Reserve R	Revaluation Reserve R	Accumulated surplus (Deficit) R	Total R
2007					
Balance at 1 July 2006	2,864,544	1,011,938	4,004,617	56,554,537	64,435,636
Surplus/(deficit) for the year				5,401,864	5,401,864
Revaluation of Land & Buildings			3,040,192	-	3,040,192
Transfer to Capital Replacement Reserve	4,181,660			(4,181,660)	-
Property, plant and equipment purchased	(1,124,283)			1,124,283	-
Capital grants used to purchase Property Plant & Equipment		48,784		(48,784)	
Donated/contributed Property Plant & Equipment					
Asset disposals					
Offsetting of depreciation		(372,641)	(185,437)	558,078	-
BALANCE AT 30 JUNE 2007	**5,921,921**	**688,081**	**6,859,372**	**59,408,318**	**72,877,691**
2008					
Correction of error					-
Change in accounting policy					-
RESTATED BALANCE	**5,921,921**	**688,081**	**6,859,372**	**59,408,318**	**72,877,691**
2008					
Surplus/(deficit) for the year				2,920,605	2,920,605
Revaluation of Land & Buildings					-
Transfer to Capital Replacement Reserve	9,671,760			(9,671,760)	-
Property, plant and equipment purchased	(6,640,190)			6,640,190	-
Capital grants used to purchase Property Plant & Equipment				-	-
Donated/contributed Property Plant & Equipment		92,378		(92,378)	-
Asset disposals		(2,035)		2,035	-
Offsetting of depreciation		(285,332)	(231,222)	516,553	-
BALANCE AT 30 JUNE 2008	**8,953,491**	**493,093**	**6,628,150**	**59,723,563**	**75,798,297**

FRANCES BAARD DISTRICT MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 30 JUNE 2008

	Note	2008 R	2007 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from ratepayers, government and other		67,596,240	68,176,150
Cash paid to suppliers and employees		(70,195,362)	(65,443,720)
Cash generated from/(utilised in) operations		(2,599,122)	2,732,430
Dividends received			
Interest received		9,034,487	7,724,309
Interest paid		-	(1,083,539)
NET CASH FROM OPERATING ACTIVITIES	22	**6,435,366**	**9,373,200**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(6,720,113)	(1,139,216)
Proceeds on disposal of property, plant and equipment		15,352	55,789
Increase in investment properties			
Increase / (decrease) in non-current receivables		(27,389)	(217,966)
Increase in non-current investments			
(Increase) / decrease in call investment deposits			
NET CASH FROM INVESTING ACTIVITIES		**(6,732,150)**	**(1,301,393)**
CASH FLOWS FROM FINANCING ACTIVITIES			
New loans raised / (repaid)		-	(7,112,743)
Increase in consumer deposits			
Increase in unspent grants & subsidies		(3,432,533)	(5,790,013)
Decrease / (increase) in short-term loans			
NET CASH FROM FINANCING ACTIVITIES		**(3,729,318)**	**(4,830,949)**
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(3,729,317)**	**(4,830,949)**
Cash and cash equivalents at the beginning of the year		71,631,031	76,461,980
Cash and cash equivalents at the end of the year	23	67,901,714	71,631,031

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

		2008	2007
		R	R

1 LONG-TERM LIABILITIES

External Loan with DBSA to the capital value of R7,5 m have been settled during 2006 / 07 financial year as per Council Resolution FIN 03 06/07 dated 20 / 06 / 07. A pre-payment penalty to the amount of R0,80m have been charged by DBSA in terms of settlement in the loan agreement. No external loans reflect in relation to the 2007 / 08 financial yar

2 CREDITORS

Leave Provision	1,264,020	753,841
Other Creditors	2,063,878	1,555,074
Total creditors at year end	**3,327,899**	**2,308,915**

2.1 Leave Provision

Balance at beginning of year	753,841	724,433
Net movement	510,179	29,408
Total: Leave Provision	**1,264,020**	**753,841**

Annual leave provision is based on the total number of leave days due on 30 June, at individual salary values effective on the reporting date.(Nett movement on leave provision included in employee cost for the financial year under review)

Council does not made provision for leave benefits due to the Roads Agency persanrel.
Obligations for accumulated leave at the reporting date amount to: *139,177* *175,895*
Roads Agency obligations are dealt with as part of the annual operating subsidy provided by the principal. No accumulated obligations are accounted for in the Agency financial reports.

2.2 Other Creditors

Payments received in advance	19,511	18,171
Retentions	853,370	526,397
Creditors Control	-	15,222
Payments received in advance - RSC Levies	-	-
Sundry Creditors	536,746	452,508
ABSA Fleet Card	54,632	15,330
Salary Control: - Medical Aid Fund	17	-
Salary Control:- Workmen's Compensation	110,449	96,676
Salary Control: - Extended Medical Aid - ADMED Deductions	-	48
NCPA Roads Agency Services	-	-
Suspense Account	374	-
Staff Bonus Provision	488,779	430,722
Total: Other Creditors	**2,063,878**	**1,555,074**

FRANCES BAARD DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

		2008 R	2007 R
3	**UNSPENT CONDITIONAL GRANTS AND RECEIPTS**		
3.1	**Conditional Grants from Other Spheres of Government**	**11,928,067**	**15,360,600**
3.1.1	Equitable Share	340,254	868,512
3.1.2	Financial Management Grant	-	-
3.1.3	Municipal Systems Improvement Grant	2,225,172	1,632,621
3.1.4	DWAF - Sanitation (Mvula Trust)	3,996,672	2,357,539
3.1.5	NC Tourism - Contribution Tourism Month	-	-
3.1.6	Department of Transport: Expanded Works Program	514,902	514,902
3.1.7	District Aids Council	42,532	46,015
3.1.8	NEAR Control Centre	-	-
3.1.9	NCPA - Housing Accreditation Grant	926,002	346,776
3.1.10	NCPA Firefighting Equipment	478,136	300,525
3.1.11	NCPA - Sewerage System: Dikgatlong	-	446,634
3.1.12	NCPA - Eradication of Bucket System	1,480,446	4,824,407
3.1.13	DWAF- Development Holpan (Project NC145)	-	1,373,623
3.1.14	DBSA - LED & Capacity Building	-	-
3.1.15	DWAF - Warrenton (Project NC 148)	-	135,181
3.1.16	MIG - Projects	395,905	2,251,888
3.1.17	NCPA - O & M Electricity Grant	28,045	28,045
3.1.18	SETA - Skills Grant	-	88,422
3.1.19	Drought Relief Funds	-	123,900
3.1.20	Local Economic Development: Property, Plant & Equipment	-	-
3.1.22	NCPA: Vuna Awards	1,500,000	
3.1.21	DWAF: Water testing Equipment	-	-
3.2.1	Koopmansfontein Craft Project	-	21,610
3.2.2	Koopmansfontein Electricity Self Build Scheme	-	-

Summary of Movements - External Funds		
Balance unspent at beginning of year	*15.360.600*	*21.150.613*
Current year receipts	*61.747.416*	*59.153.964*
Internal Transfers	*1.512.497*	
Gross Funding	*78,620,512*	*80,304,576*
Conditions met – transferred to revenue	*(65,179.949)*	*(64.943.976)*
Internal Transfers	*(1.512.497)*	
Unspent Portion at Year end	*11,928,067*	*15,360,600*

The following allocations were made to the municipality according to the stipulations of the Division of Revenue Act. Revenue received are recognised as revenue to the extent that the conditions or obligations are met. Conditions still to be met are transferred to liabilities. No allocations were delayed or withheld exept for the Yuna Awards which is subject to submitting a businessplan as per guideline requirements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

		2008 R	2007 R
3.1.1	**Equitable Share**		
	Balance unspent at beginning of year	868,512	2,883,132
	Current year receipts	53,082,609	45,908,775
	Gross Funding	**53,951,121**	**48,791,907**
	Conditions met – transferred to revenue	(53,610,867)	(47,923,395)
	Unspent Portion at Year end	**340,254**	**868,512**
	Department of Provincial & Local Government		
	Objective: To assist municipalities to provide basic infrastructure and services to low income households.		
3.1.2	**Financial Management Grant**		
	Balance unspent at beginning of year	0	466,456
	Current year receipts	500,000	500,000
	Gross Funding	**500,000**	**966,456**
	Conditions met – transferred to Govemment Grant Reserve	-	-
	Conditions met – transferred to revenue	(500,000)	(966,456)
	Unspent Portion at Year end	-	**0**
	National Treasury		
	Objective: To finance the reform programme for municipal budgeting and financial management practices		
3.1.3	**Municipal Systems Improvement Grant**		
	Balance unspent at beginning of year	1,632,621	1,966,326
	Current year receipts	1,000,000	1,000,000
	Gross Funding	**2,632,621**	**2,966,326**
	Conditions met – transferred to revenue	(407,449)	(1,333,705)
	Unspent Portion at Year end	**2,225,172**	**1,632,621**
	Department of Provincial & Local Government		
	Objective: To assist municipalities to build capacity for the new development system of local gavernment.		
3.1.4	**DWAF - Sanitation (Mvula Trust)**		
	Balance unspent at beginning of year	2,357,539	1,495,912
	Current year receipts	1,350,774	2,719,991
	Intemal transfers from dedicated DWAF funded projects	1,512,497	-
	Gross Funding	**5,220,811**	**4,215,903**
	Conditions met – transferred to revenue	(1,224,139)	(1,858,364)
	Unspent Portion at Year end	**3,996,672**	**2,357,539**
	Department of Water Affairs & Forestry		
	Objective: To provide adequate water and sanitation facilities ta farm workers in the rural areas in the district as well as to support operation and maintenance programmes at local municipalities in the district.		

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FRANCES BAARD DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

		2008	2007
		R	R
3.1.5	**NC Tourism - Contribution Tourism Month**		
	Balance unspent at beginning of year	-	-
	Current year receipts	70,000	
	Gross Funding	**70,000**	-
	Conditions met – transferred to revenue	(70,000)	
	Unspent Portion at Year end	-	-
	Northern Cape Tourism		
	Objeetive: Funding of tourism month activities at sehools.		
3.1.6	**Department of Transport: Expanded Works Program**		
	Balance unspent at beginning of year	514,902	604,792
	Current year receipts	-	-
	Gross Funding	**514,902**	**604,792**
	Conditions met – transferred to revenue	-	(89,891)
	Unspent Portion at Year end	**514,902**	**514,902**
	Department of Transport, Roads and Publie Works		
	Objective: To maintain and support job creation opportunities within the district in order to relieve poverty		
3.1.7	**District Aids Council**		
	Balance unspent at beginning of year	46,015	62,550
	Current year receipts	-	-
	Gross Funding	**46,015**	**62,550**
	Conditions met – transferred to revenue	(3,483)	(16,534)
	Unspent Portion at Year end	**42,532**	**46,015**
	Department of Health - Northern Cape Province		
	Objeetive: To finance the eosts of District Aids Councils in the campaign against AIDS against Aids . Also to provide HIV /AIDS prevention care programs and services in the region.		
3.1.8	**NEAR Control Centre**		
	Balance unspent at beginning of year	-	-
	Current year receipts	523,000	499,000
	Gross Funding	**523,000**	**499,000**
	Conditions met – transferred to revenue	(523,000)	(499,000)
	Unspent Portion at Year end	-	-
	Department of Housing & Loeal Government - Northern Cape Province		
	Objective: To maintain effective functioning of the NEAR control eentres and provide additional funds for the training of NEAR personnel.		

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

		2008	2007
		R	R
3.1.9	**NCPA - Housing Accreditation Grant**		
	Balance unspent at beginning of year	346,776	-
	Current year receipts	1,000,000	346,776
	Gross Funding	**1,346,776**	**346,776**
	Conditions met – transferred to revenue	(420,774)	-
	Unspent Portion at Year end	**926,002**	**346,776**
	Department of Housing & Local Government - Northern Cape Province		
	Objective: To enable the District Municipality to obtain full accreditation to administer national housing programmes in terms of the delegation of functions from Department of Housing and Local Government.		
3.1.10	**NCPA Firefighting Equipment**		
	Balance unspent at beginning of year	300,525	55,020
	Current year receipts	300,000	436,000
	Gross Funding	**600,525**	**491,020**
	Conditions met – transferred to revenue	(122,389)	(190,496)
	Unspent Portion at Year end	**478,136**	**300,525**
	Department of Housing & Local Government - Northern Cape Province		
	Objective: To enhance municipalities' capacity to deal with fire hazards.		
3.1.11	**NCPA - Sewerage System: Dikgatlong**		
	Balance unspent at beginning of year	446,634	536,763
	Current year receipts	-	-
	Gross Funding	**446,634**	**536,763**
	Conditions met – transferred to revenue		(90,129)
	Internal transfers to DWAF operation and maintenance programme	(446,634)	-
	Unspent Portion at Year end	**-**	**446,634**
	Department of Housing & Local Government - Northern Cape Province		
	Objective: To provide improved quality sewerage connector lines in the residential areas of Proteahof and De Beershoogte		
	In order to increase spending, funds have been tranferred to operating and maintenance programme as per DWAF approval.		
3.1.12	**NCPA - Eradication of Bucket System**		
	Balance unspent at beginning of year	4,824,407	6,005,990
	Current year receipts	-	7,595,000
	Gross Funding	**4,824,407**	**13,600,990**
	Conditions met – transferred to revenue	(3,343,961)	(8,776,584)
	Unspent Portion at Year end	**1,480,446**	**4,824,407**
	Department of Housing & Local Government - Northern Cape Province		
	Objective: To eliminate the use of bucket sanitation systems in the district by end of September 2008		

FRANCES BAARD DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

		2008	2007
		R	R
3.1.13	**DWAF- Development Holpan (Project NC145)**		
	Balance unspent at beginning of year	1,373,623	1,419,631
	Current year receipts – included in public health vote	-	-
	Gross Funding	**1,373,623**	**1,419,631**
	Conditions met – transferred to revenue	(475,617)	(46,009)
	Internal transfers to DWAF operation and maintenance programme.	(898,006)	-
	Unspent Portion at Year end	**-**	**1,373,623**
	Department of Housing & Local Government - Northern Cape Province		
	Objective: To administer funding for the upgrading of the bulk water supply to Holpan and rudimentary reticulation for 200 erven.		
	In order to increase spending, funds have been tranferred to operating and maintenonce programme as per DWAF approval.		
3.1.14	**DBSA - LED & Capacity Building**		
	Balance unspent at beginning of year	-	174,627
	Current year receipts	150,000	-
	Gross Funding	**150,000**	**174,627**
	Conditions met – transferred to revenue	(150,000)	(174,627)
	Unspent Portion at Year end	**-**	**-**
	Department of Housing & Local Government - Northern Cape Province		
	Objective: To assist in the development of a LED strategy.		
3.1.15	**DWAF - Warrenton (Project NC 148)**		
	Balance unspent at beginning of year	135,181	161,328
	Current year receipts	-	-
	Gross Funding	**135,181**	**161,328**
	Conditions met – transferred to revenue	-	(26,147)
	Internal transfers to DWAF operation and maintenance programme.	(135,181)	-
	Conditions still to be met	**-**	**135,181**
	Department of Housing & Local Government - Northern Cape Province		
	Objective: To administer funding for the extension of the existing reticulation network of Ikhutseng to supply water tp 241 ervin.		
	In order to increase spending, funds have been tranferred to operating and maintenance programme as per DWAF approval.		
3.1.16	**MIG - Projects**		
	Balance unspent at beginning of year	2,251,888	4,807,499
	Current year receipts	1,337,970	-
	Gross Funding	**3,589,858**	**4,807,499**
	Conditions met – transferred to revenue	(3,193,953)	(2,555,611)
	Unspent Portion at Year end	**395,905**	**2,251,888**
	Department of Provincial & Local Government		
	Objective: To provide service delivery infrastructure to households in poorer residential areas		

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

		2008 R	2007 R
3.1.17	**NCPA - O & M Electricity Grant**		
	Balance unspent at beginning of year	28,045	90,000
	Current year receipts	-	40,000
	Gross Funding	**28,045**	**130,000**
	Conditions met – transferred to revenue	**0**	(101,955)
	Unspent Portion at Year end	**28,045**	**28,045**
	Department of Housing & Local Government - Northern Cape Province		
	Objective: To improve the operation and maintenance of the Electricity infrastructure in the district		
3.1.18	**SETA - Skills Grant**		
	Balance unspent at beginning of year	88,422	128,975
	Current year receipts	-	88,422
	Gross Funding	**88,422**	**217,396**
	Conditions met – transferred to revenue	(88,422)	(128,975)
	Unspent Portion at Year end	**-**	**88,422**
	Sector Education and Training Authority		
	Objective: To be used for training and capacity building of employees as per approved Skills Work Plan.		
3.1.19	**DPLG Drought Relief Funds**		
	Balance unspent at beginning of year	123,900	290,000
	Current year receipts	-	-
	Gross Funding	**123,900**	**290,000**
	Conditions met – transferred to revenue	(91,224)	(166,100)
	Internal transfers to DWAF operation and maintenance programme.	(32,676)	-
	Unspent Portion at Year end	**-**	**123,900**
	Department of Provincial and Local Government		
	Objective: To assist municipalities to fund emergency water services supply to communities affected by drought.		
	In order to increase spending, funds have been tranferred to operating and maintenance programme as per DWAF approval.		
3.1.20	**Local Economic Development: Property, Plant & Equipment**		
	Balance unspent at beginning of year	-	-
	Current year receipts	67,934	-
	Gross Funding	67,934	-
	Conditions met – transferred to revenue	(67,934)	-
	Unspent Portion at Year end	**-**	**-**
	Department of Tourism, Environment and Conservation		
	Objective: To supply furniture and office equipment for the upgrading of tourism offices.		

FRANCES BAARD DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

		2008	2007
		R	R
3.1.21	**DWAF: Water testing Equipment**		
	Balance unspent at beginning of year	-	-
	Current year receipts	38,760	-
	Gross Funding	**38,760**	-
	Conditions met – transferred to revenue	(38,760)	-
	Unspent Portion at Year end	-	-
	Department of water affairs and forestry		
	Objective: To supply water testing equipment for regular testing of water samples.		
3.1.22	**NCPA: Vuna Awards**		
	Balance unspent at beginning of year	-	-
	Current year receipts	1,500,000	-
	Gross Funding	**1,500,000**	-
	Conditions met – transferred to revenue	-	-
	Unspent Portion at Year end	**1,500,000**	-
	Department of Housing & Local Government - Northern Cape Province		
	Objective: To initiate community projects as per approved business plans by the Department of Housing and Local Government.		
3.2	**Other Conditional Receipts**		
3.2.1	**Koopmansfontein Craft Project**		
	Balance unspent at beginning of year	21,610	1,610
	Current year receipts	-	20,000
	Gross Funding	**21,610**	**21,610**
	Conditions met – transferred to revenue	(21,610)	-
	Unspent Portion at Year end	-	**21,610**
	Koopmansfontein Craft Project		
	Objective: To enable the local community to generate funds to become self sufficient. The funds received from sales are held in trust by the FBDM until a Private Corporate Entity has been established to manage the funds.		
	Funds were transferred to the newly established corporate.		
3.2.2	**Koopmansfontein Electricity Self Build Scheme**		
	Balance unspent at beginning of year	-	-
	Current year receipts	816,368	-
	Gross Funding	**816,368**	-
	Conditions met – transferred to revenue	(816,368)	-
	Unspent Portion at Year end	-	-
	Private contibutions: ESCOM & Farmers		
	Objective: To complete the Koopmansfontein self build scheme with financial contribution from ESKOM and farmers.		

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

		2008 R	2007 R
3.2.2	**Nedbank: Special project - Speaker**		
	Balance unspent at beginning of year	-	-
	Current year receipts	10,000	-
	Gross Funding	10,000	-
	Conditions met – transferred to revenue	(10,000)	-
	Unspent Portion at Year end	-	-

Private institution: Nedbank
Objective: To fund the "take a child to work" programme in the office of the Speaker

4 PROPERTY PLANT & EQUIPMENT

4.1	**Other Assets**		
	Value at cost at the beginning of the year	18,290,257	14,229,332
	Cost	10,621,788	9,601,055
	Revaluation	7,668,469	4,628,277
	Movements for the year	6,214,192	4,060,925
	Acquisitions	2,524,176	1,151,671
	Disposals	(499,641)	(130,938)
	Capital under construction	4,189,657	-
	Impairment losses	-	-
	Other movements-revaluation	-	3,040,192
	Value at cost at the end of the year	24,504,449	18,290,257
	Cost	16,835,980	10,621,788
	Revaluation	7,668,469	7,668,469
	Accumulated depreciation at the beginning of the year	(7,083,627)	(6,111,416)
	Cost	(6,274,530)	(5,487,756)
	Revaluation	(809,097)	(623,660)
	Movements for the year	(791,072)	(972,209)
	Depreciation- cost	(1,053,890)	(983,970.43)
	Depreciation- revaluation	(231,222)	(185,436.73)
	Disposals	494,039	197,198.51
	Other movements-cost	-	-
	Other movements-revaluation	-	-
	Accumulated depreciation at the end of the year	(7,874,701)	(7,083,627)
	Cost	(6,834,382)	(6,274,530)
	Revaluation	(1,040,319)	(809,097)

FRANCES BAARD DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	R	R
Carrying value at the end of the year	**16,629,748**	**11,206,630**
Cost	10,001,598	4,347,258
Revaluation	6,628,150	6,859,372
4.2 Community Assets		
Value at cost at the heginning of the year	**219,330**	**219,329.71**
Cost	219,330	219,329.71
Revaluation	-	-
Movements for the year	**6,280**	**-**
Acquisitions	6,280	-
Disposals	-	-
Other movements-revaluation	-	-
Value at cost at the end of the year	**225,610**	**219,330**
Cost	225,610	219,330
Revaluation	-	-
Accumulated depreciation at the heginning of the year	**(37,074)**	**(10,988)**
Cost	(37,074)	(10,988)
Revaluation	-	-
Movements for the year	**(26,368)**	**(26,087)**
Depreciation- cost	(26,368)	(26,087)
Depreciation- revaluation	-	-
Disposals	-	-
Other movements-cost	-	-
Other movements-revaluation	-	-
Accumulated depreciation at the end of the year	**(63,442)**	**(37,074)**
Cost	(63,442)	(37,074)
Revaluation	-	-
Carrying value at the end of the year	**162,167**	**182,255**
Cost	162,167	182,255
Revaluation	-	-
Carrying value of total assets	**16,791,915**	**11,388,885**
Other assets	16,629,748	11,206,630
Community assets	162,167	182,255

The revaluation of council's land and buildings was done by professional valuers during the 2006 / 07 financial year by De Bruyn & Strauss incorporated on the method of estimated building cost less depreciation with the effective date 01 February 2007 (Apppendix A & B in repect of property, plant and equipment have reference)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

		2008 R	2007 R
5	**INVESTMENTS**		
	Unlisted		
	Preference shares of 1c each, with a premium of 99c	3,433	3,433
	Preference shares of R1.00 each	2,289	2,289
	TOTAL INVESTMENTS	5,722	5,722
	Shares held in the agricultural co-operative society, acquired trough purchase of operational moterials. Although Council trades with GWK and receives a discount on its trading account, Council does not have any proprietary interest in the cooperative society.		
6	**LONG-TERM RECEIVABLES**		
	Car loans	-	-
	Nel JA	-	-
	Mdee F	-	-
	Long Term Portion of Long Term Debt	-	-
	Short Term Portion of Long Term Debt	-	27,389
	Long Term Debt at Reporting Date	-	27,389
	Long-term debtors reflect only the long-term portion of the total debt owed for financing loans in terms of the approved motor vehicle loan scheme at an interest rate of 8% per annum. Phasing out occurred as no new loans are allowed after 1st July 2004 in terms of section 164 of the Municipal Finance Management Act. (MFMA)		
7	**CONSUMER DEBTORS**		
	Water service		
	Balances due at the end of the financial year	1,041	1,745
	Less: Provision for bad debt	720	1,457
	TOTAL CONSUMER DEBTORS	320	287

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FRANCES BAARD DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

		2008 R	2007 R
	Summary of Debtors by Customer Classification		
	Consumers		
	Current (0 – 30 days)	162	181
	31 – 60 Days	94	63
	61 – 90 Days	63	43
	91 – 120 Days	720	1,457
	Sub-total	1,041	1,745
	Less: Provision for bad debts	720	1,457
	TOTAL CONSUMER DEBTORS	320	287
8	**OTHER DEBTORS**		
		3,801,422	5,337,924
8.1	Sundry Debtors - Other	2,900,390	4,736,384
8.2	Recoverable Expenditure - Fraudulant Transactions	901,033	601,540
8.1	**Sundry Debtors - Other**		
	Debtors Control Account	1,608,216	71,896
	- Advanced - payments: Debtors Control Account	19,103	17,833
	Regional Services Levies	-	1,733,554
	Sundry Debtors: Interest on Investment	620,979	373,592
	Recoverable Expenditure	6,122	10,305
	Capital Expenditure - Council Building	-	17,760
	Salary Control:- Payments	5,866	10,731
	Salary Control: - Medical Aid Fund	-	60.20
	Salary Control:- Traffic Fines	-	10
	Salary Control:- Garnishing Orders	-	350
	NCPA Roads Agency Services	653,597	2,498,835
	Total Other Debtors	2,913,883	4,734,927
	Less: Provision for Bad Debt	13,493	(1,457)
	Total Other Debtors	2,900,390	4,736,384
	The fair value of trade and other receivables approximate their carrying value.		
8.2	**Recoverable Expenditure - Fraudulent Transactions**		
	Recoverable unauthorised expenditure	601,540	1,974,758
	Plus: Additional recovery not anticipated	464,704	
	Plus: New fraudulent transactions for the year	5,000	
	Less: Amounts recovered	(170,211)	-
	Less: Written off by Council Resolution		(1,373,218)
	Total Recoverable Expendlture - Fraudulent Transactions	901,033	601,540

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008 R	2007 R

Fraudulent transactions to the total value of R1,978,497-72 have been discovered in August 2006 after a proper investigation was completed by SHAG Forensics (Pty).

A portion to the value of R601,540 is in process to be recovered from council's insurance and the pension fund of the official involved. - Accountant Expenditure. According to a report received from SHG Forensic, it was indicated that the amount to the value of R1 373 218.47 can be regarded as unrecoverable. Based on the report, Council resolve to write off the estimated unrecoverable amount to the value of R1.38M. (Council resolution MAYCON 01 06/07 dated 20 June 2007). An additional amount amount of R464 703.60 was recovered from the selling of house which was not anticipated during the 2006 / 07 financial year.

Fraudulent transaction to the estimated amount of R5000 was discovered during June 2008. The case relates irregular usage of petrol card for one of councils motor vehicles. The matter has been investigated and reported to the SAPD. The outcome of a disciplinary hearing is pending.

Refer to note 26 for more detail.

9 VAT

VAT Receivable	**2,553,167**	**2,155,966**

VAT is payable on the receipts basis. Only once payment is received from debtors is VAT paid over to SARS. All VAT returns have been submitted by the due date through out the year.

10 CALL INVESTMENT DEPOSITS

Other Deposits	**67,300,000**	**75,300,000**
Short Term Investments	**65,500,000**	**74,000,000**
Absa Bank	30,500,000	27,000,000
First Rand	14,000,000	-
Nedcor	-	5,000,000
Standard Bank	7,000,000	7,000,000
Old Mutual Bank	14,000,000	35,000,000
Term Deposits	**1,800,000**	**1,300,000**
Absa Bank [Collateral]	500,000	500,000
Absa [Leave Provision]	1,300,000	800,000

Council provide collateral security for housing loans issued by commercial banks in favour of certain of Council's personnel. This security is provided by a block investment of R500,000 ceded to ABSA against which the bank issues letters of guarantee to the home loan financing institutions.

Trading and available-for-sale investments are subsequently carried at fair value. Average interest rate on investments in respect of the financial year under review reflects on 10.32%.

11 BANK, CASH AND BALANCES

The Municipality has the following bank accounts: -

11.1 Current Account (Primary Bank Account)

ABSA Bank Kimberley (Central Business District)		
Account Number 940 000 327		
Cash book balance at end of year	**598,414**	**(3,672,269)**

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FRANCES BAARD DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

		2008 R	2007 R
11.2	**Petty Cash & Floats**	3,300	3,300
	TOTAL CASH ON HAND	601,714	(3,668,969)

The cash book balance at 30 June 2008 reflects a possitive balance Of R601 714

12	**SERVICE CHARGES**		
	Sale of water	11,620	12,357
	Total Service Charges	11,620	12,357.14

13	**GOVERNMENT GRANTS AND SUBSIDIES**		
	Equitable Share	53,610,867	47,923,395
	Financial Management Grant	500,000	966,456
	Municipal Systems Improvement Grant	407,449	1,333,705
	DWAF - Sanitation (Mvula Trust)	1,224,139	1,858,364
	NC Tourism - Contribution Tourism Month	70,000	-
	Department of Transport: Expanded Works Program	-	89,891
	District Aids Council	3,483	16,534
	NEAR Control Centre	523,000	499,000
	NCPA - Housing Accreditation Grant	420,774	-
	NCPA Firefighting Equipment	122,389	190,496
	NCPA - Sewerage System: Dikgatlong	-	90,129
	NCPA - Eradication of Bucket System	3,343,961	8,776,584
	DWAF- Development Holpan (Project NC145)	475,617	46,009
	DBSA - LED & Capacity Building	150,000	174,627
	DWAF - Warrenton (Project NC 148)	-	26,147
	Local Economic Development Grant		500,000
	MIG - Projects	3,193,953	2,555,611
	NCPA - O & M Electricity Grant	-	101,955
	SETA - Skills Grant	88,422	128,975
	DPLG Drought Relief Funds	91,224	166,100
	Environmental Health	100,000	87,000
	LED: Property plant & equipment	67,934	-
	DWAF: Water testing equipment	38,760	-
	Koopmansfontein self build scheme	816,368	-
	Nedbank special projects	10,000	-
	Total Government Grant and Subsidies	65,258,339	65,530,976

The unspent portions of the conditional grants are treated as current liabilities and disclosed per Note 3 above.
Only the actual expenditure amounts are transferred to the relevant operating statement to cover the expenditure incurred in terms of the grant conditions

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

		2008 R	2007 R
14	**OTHER INCOME**		
	Commission: Insurance Payments	5,412	4,874
	Fines	1,200	7,340
	Surplus cash	1	
	Salary allocation to Roads Agency (30%) - Director Technical Services	190,257	174,497
	Bad debts recovered	464,704	-
	Cemetery Fees	90	105
	Private telephone calls / photo copies	50,966	
	Administration cost - DPI recovery	37,155	
	Salary recoveries	12,463	
	Tender Fees	7,500	3,500
	Other	1,025	19,693
	Total Other Income	**770,772**	**210,009**
15	**EMPLOYEE RELATED COSTS**		
	Employee related costs – Salaries and Wages	13,243,015	10,705,892
	Employee related costs – Contributions for UIF, pensions and medical aids	3,633,535	3,129,134
	Motor car and other allowances	2,078,084	1,501,557
	Housing benefits and allowances	505,275	307,300
	Compulsory cost:- Skills Levy; Workmens Compensation; Industrial Council Contributions	244,110	204,649
	Group Insurance	115,979	108,330
	Performance bonus	219,641	238,912
	Total Employee Related Costs	**20,039,638**	**16,195,772**
	There were no advances to employees. Loans to employees are set out in note 6.		
	Social contributions:		
	Council makes defined contributions to several pension funds in the following proportions:	Employer %	Employee %
	Cape Joint Pension Fund	18,00	9,00
	Cape Joint Retirement Fund	18,00	9,00
	SAMWU National Pension Fund	18,00	9,00
	Pension Fund for Municipal Councillors	15,00	13,75
	Remuneration of the Municipal Manager		
	Annual Remuneration (Total cost to Employer)	749,712	698,234
	Performance Bonuses	71,131	76,118
	Total	**820,843**	**774,352**
	Remuneration of the Chief Finance Officer		
	Annual Remuneration (Total cost to Employer)	585,411	544,602
	Performance Bonuses	55,004	50,873
	Total	**640,415**	**595,475**

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FRANCES BAARD DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

		2008 R	2007 R
	Remuneration of executive directors		
	Administration and technical services		
	Annual Remuneration (Total cost to Employer)	585,411	544,602
	Performance Bonuses (Average cost)	46,753	55,960
	Total	**632,164**	**600,562**
16	**REMUNERATION OF COUNCILLORS**		
	Executive Mayor	485,203	420,910
	Speaker	242,602	227,783
	Mayoral Committee Members	1,470,751	572,626
	Councillors	1,226,260	1,150,422
	Councillors' pension contribution	101,201	146,656
	Other Obligatory Contributions (Skills Levy,etc.)	34,834	20,460
	Total Councillors' Remuneration	**3,560,852**	**2,538,856**
	In-kind Benefits		

The Executive Mayor and Speaker are full time.
Each is provided with a cell phone, office and secretarial support at cost of council. (Cell phone benefit does not exceed the limits as determined by the Remuneration of Public Office Bearers Act)

The Executive Mayor makes use of a Council owned vehicle for ceremonial duties

17	**INTEREST ON EXTERNAL BORROWINGS**		
	External Loans	-	1,083,539
	Finance Leases	-	-
	Bank Overdrafts	-	-
	Total Interest on External Borrowings	**-**	**1,083,539**
18	**BULK PURCHASES**		
	Water	13,570	11,866
	Total Bulk Purchases	**13,570**	**11,866**
19	**GRANTS AND SUBSIDIES PAID TO OTHER MUNICIPALITIES**		
19.1	**Dikgatlong Municipality**	10,078,248	10,325,481
	Streets & Storm Water	1,850,137	1,579,725
	Sanitation	5,739,919	3,939,268
	Water	382,553	1,943,780
	Electricity	1,655,483	2,862,707
	Machinery & Equipment	87,869	-
	Cemeteries	84,987	-
	Other Infrastructure Projects	277,300	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

		2008 R	2007 R
19.2	**Magareng Municipality**	**6,545,179**	**3,973,204**
	Cemeteries	18,545	-
	Water	2,525,667	3,071,468
	Sanitation	623,863	663,499
	Streets & Storm Water	1,794,992	238,237
	Machinery & Equipment	863,574	-
	Development of erven	501,914	-
	Electricity	103,582	-
	Other Infrastructure Projects	113,042	-
19,3	**Phokwane Municipality**	**6,922,668**	**7,083,343**
	Electricity	110,479	1,454,776
	Streets & Storm Water	5,676,953	-
	Water	848,200	3,183,072
	Sanitation	52,592	2,445,494
	Development of erven	39,392	-
	Other Infrastructure Projects	195.053	-
19.4	**Sol Plaatje Municipality**	**6,900,100**	**5,872,498**
	Sanitation	1,675,101	3,438,490
	Housing	-	2,000,000
	Cemeteries	350,000	434,007
	Public transport	-	-
	Streets & Storm water	2,980,400	-
	Other Infrastructure Projects	1,894,600	
19.5	**District Management Areas**	**3,894,760**	**3,578,222**
	Cemeteries	-	-
	Other Infrastructure Projects	-	85,148
	Electricity	1,684,879	203,814
	Housing	47,428	2,992,234
	Water	1,631,840	10,000
	Sanitation	530,613	287,026
	Summary of infrastructure grants paid to other municipalities	**34,340,955**	**30,832,747**
	Dikgatlong Municipality	10,078,248	10,325,481
	Magareng Municipality	6,545,179	3,973,204
	Phokwane Municipality	6,922,668	7,083,343
	Sol Plaatje Municipality	6,900,100	5,872,498
	District Management Areas	3,894,760	3,578,222

*Council makes alloeations to partieipating bodies within its area of jurisdiction. **Such allocations** are primarily for infrastructure development and are treated as grants in kind. Assets with regard to property, plant and **equipment funded becomes the property of the** partieipating body who controls the asset. (Unspent portion of Council's eontribution amounted to **R3,07m whilst the unspent portion of** conditional grants refleets under Note 3 above)*

20	**GRANTS PAID TO OTHER ORGANS OF STATE**	**131,579**	**150,000**
	Northern Cape Tourism Authority	131,579	150,000

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FRANCES BAARD DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

		2008 R	2007 R
21	**OTHER SPECIAL PROJECTS**	**4,470,273**	**9,812,605**
	Council	343,928	229,962
	Municipal Manager	36,815	280,590
	Communications	134,720	132,773
	Implementation of New Financial System	1,103,050	-
	Employment assistance program	17,385	29,342
	Other Infrastructure Projects	-	5,662,583
	IDP / PMS Projects	-	6,260
	Tourism Projects	419,929	465,370
	PIMMS Center	407,449	476,766
	Local Economic Development	1,188,851	1,807,258
	Environmental Health Projects	286,430	183,864
	Community Development	323,708	261,518
	Disaster Management	208,009	276,320
	Summary of Grants and Subsidies Paid		
	Grants and subsidies paid to other municipalities (Note 20)	34,340,955	30,832,747
	Grants paid to other organs of state (Note 21)	131,579	150,000
	Other special projects (Note 22)	4,470,273	9,812,605
	Total Grants and Subsidies	**38,942,807**	**40,795,353**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

		2008 R	2007 R
22	**CASH GENERATED BY OPERATIONS**		
	Surplus for the year	2,920,605	3,549,721
	Adjustment for:-		
	Depreciation	1,311,004	1,195,494
	Gain on disposal of property, plant and equipment	(15,352)	(55,789)
	Contribution to provisions – non-current	-	-
	Contribution to provisions – current	-	-
	Internal Motor vehicle charges	(27,134)	(85,397)
	Contribution to bad debt provision		307,843
	Appropriation receipts		2,799,809
	Investment income	(9,034,487)	(7,587,037)
	Extraordinary items - Pre-payment penalty fee - DBSA		800,000
	Non-cash grants & subsidies	7,312,483	-
	Other non-cash activities	415,431	97,004
	Interest paid	-	1,083,539
	Operating surplus before working capital changes:	***2,882,550***	***2,105,186***
	(Increase) / Decrease in Inventories	-	-
	(Increase) / Decrease in Debtors	(33)	(88)
	(Increase) / Decrease in Other Debtors	1,536,501	3,852,973
	(Decrease) / Increase in Conditional Grants and Receipts	3,432,533	5,790,013
	(Decrease) / Increase in Creditors	(1,018,984)	(1,162,635)
	(Increase) / Decrease in VAT Receivables	(397,201)	(1,212,249)
	Cash generated by operations	***6,435,366***	***9,373,200***
23	**CASH AND CASH EQUIVALENTS**		
	Cash and cash equivalents included in the cash flow statement comprise the following statement of amounts indicating financial position :		
	Bank balances and cash	67,901,714	75,303,300
	Bank overdraft	-	3,672,269
	Total cash and eash equivalents	***67,901,714***	***71,631,031***

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FRANCES BAARD DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

		2008 R	2007 R
24	**UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED**		
24.1	**Unauthorised expenditure**		
	Reconciliation of unauthorized expenditure		
	Opening balance	601,540	1,707,950
	Unauthorised expenditure current year	257,074	331,316
	Recovered from pension fund	(170,211)	-
	Approved by Council or condoned	(252,074)	(1,437,727)
	Transfer to receivables for recovery (Note 8.2)	464,704	-
	Unauthorised expenditure awaiting authorisation	***901,033***	***601,540***

Unauthorised expenditure to the amount of R252 047 was considered and approved by council.

The Accountant Expenditure involved was found guilty in terms of an internal disciplinary hearing and dismissed on 6 December 2006. The outcome of the criminal procedures is still pending and is likely ta be resolved in the 2008 / 09 financial year.

New case of suspected theft of fuel has been reported for criminal investigation ond internal disciplinary hearing and is likely to be concluded during the 2008 / 09 financial year.

24.2	**Fruitless and wasteful expenditure**		
	Reconciliation of fruitless and wasteful expenditure		
	Opening balance	19,230	-
	Fruitless and wasteful expenditure current year	7,665	-
	Condoned or written off by Council	(16,018)	21,030
	Recovered	(9,764)	
	To be recovered – contingent asset	-	-1,800.00
	Fruitless and wasteful expenditure awaiting condonement	**1,113**	**19,230.00**

Fruitless expenditure to the amount of R16 018 was considered and approved by council

The amount of R1 113 is still under investigation.

24.3	**Irregular expenditure**		
	Reconciliation of irregular expenditure		
	Opening balance	-	-
	Unauthorised expenditure current year	-	73,053
	Approved by Council or condoned	-	(73,053)
	Transfer to receivables for recovery	-	-
	Irregular expenditure awaiting authorisation	-	-

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

		2008 R	2007 R
25	**ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT**		
25.1	**Contributions to organized local government**		
	Opening balance	-	-
	Council subscriptions	110,176	103,439
	Amount paid – current year	(110,176)	(103,439)
	Amount paid – previous years	-	-
	Balance unpaid (included in creditors)	-	-
25.2	**Audit fees**		
	Opening balance	-	-
	Current year audit fee	572,566	381,705
	Amount paid – current year	(572,566)	(381,705)
	Amount paid – previous years	-	-
	Balance unpaid (included in creditors)	-	-
25.3	**PAYE and UIF**		
	Opening balance	-	2,750.00
	Current year payroll deductions	4,000,186	2,925,874
	Amount paid – current year	(4,000,186)	(2,928,624)
	Amount paid – previous years	-	-
	Balance unpaid (included in creditors)	-	-
25.4	**Pension and Medical Aid Deductions**		
	Opening balance	-	14,511.31
	Current year payroll deductions and Council Contributions	5,584,229	3,481,438
	Amount paid – current year	(5,584,245)	(3,495,950)
	Amount paid – previous years	-	-
	Balance unpaid (included in creditors)	(17)	-

25.5 Non-Compliance with Chapter 11 of the Municipal Finance Management Act

Supply Chain Management Policy has been amended and adopted by Council with an effective date of 1st January 2008 for implementation.. To ensure adherence and full implementation of the Supply Chain Management Policy a number of challenges still needs to be address in the next financial year. Following some challenges to be addressed:

- *Establishment of an effective Supply Chain Management Unit*
- *Review, develop and implementation of new procurement procedure aligned with SCM policy*
- *Review and amendment of procedures with regard to the tender committee system (Specification, Evaluation and Adjudication Committees)*
- *Develop systems to monitor and report on supply chain management as required in terms of the policy*
- *Development of a proper supplier contract register.*
- *Ongoing update of the SCM supplier database and verification of information received*

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FRANCES BAARD DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

		2008 R	2007 R

26 RETIREMENT BENEFIT INFORMATION

26.1 Pension fund contributions

The District Municipality contributes to the following post retirement funds - Cape Joint Pension fund, Cape Joint Retirement fund and SAMWU Retirement fund which provides for retirement benefits to its employees. All Councillors and employees belang ta these defined benefit retirement funds administered by the Provincial Pension Fund. These funds are subject to a triennial actuarial valuation.

An amount of R2 068 775 (2007 : R1 677 555) was contributed by Council in respect of Councillar and employees retirement funding. These contributions have been expensed.

26.2 Pensions

At present Council is paying, out of own funds, pensions ta eight persons from the farmer Divisional Council Vaalrivier who retired before 31 December 1990.

It is an unfunded post-employment benefit and the amount recognised as an expense on the aperating account amounted to R59 693 for the year under review.

26.3 Continued medical aid contributions

The municipality provides post-retirement medical benefits by subsidizing the medical aid contributions of certain retired staff according to the rules of the medical aid funds. Council pay 70% as contribution and remaining 30% are paid by members. The liability for these benefits is charged to the statement of financial performance in the year of payment.

It is an unfunded post-employment benefit and the amount recognised as an expense on the aperating account amounted to R1 011 713 for the year under review.

27 CAPITAL COMMITMENTS

Commitments in respect of capital expenditure		
Approved and contracted for		
Community	**25,469,380**	**3,024,000**
The expenditure will be financed from		
External Loans	15,000,000	
Internal Funding (Own Resources)	10,469,380	3,024,000
	25,469,380	**3,024,000**

An estaimated amount of R29,6m is budgeted for the building of a council chamber of which an amount of R6,5m was approved for the 2007 / 08 financial year.

An amount of R4 189 657 was spent at the end of the 2007 / 08 financial year that reflects in appedix A under capital under contruction .
The amount to be spent during the 2008 / 09 financial year amaunts to R25,5m.
Estimated completion date is June 2009.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008 R	2007 R

28 CONTINGENT LIABILITIES

28.1 ***Transnet: Sale of Koopmansfantein***

Sighning of an agreement to sell Koopmansfontcin to the District Municipality has been concluded on 17 November 2003 pending ministerial approval for the sale.

In terms of the sighned agreement, the purchaser will be liable to pay o monthly occupational rent amounting to 1% of the purchase price (R45 000) if the purchaser elect to take occupation and posession before the date of registration. Due to the fact that the salc of Koopmansfontein has not been approved by the minister, the the occupational rental to the estimated amount of R21 600 has not been paid since the date of sighning of the contract.

28.2 ***Camputers Direct: Rentol of Photacapying Machine***

Rental of the equipment amounted to R38 217 for the year under review and further payments to the amount of R25 884 for the remaindcr of the contract period.

28.3 ***Standard Bank***

Rental of office space amounted to R207 585 for the year under review and further paymcnts to the amount of R492 070 for the remainder of the contract period.

28.4 ***Sauth African Locol Government Bargaining Council***

A conciliation hearing between a former employer and the District Municipality is pending. Thc estimated cost of the matter is unknown.

28.5 ***Tender allocatians***

The allocation of a tender in relation to valuation roll for Magareng municipality is in dispute by one of the bidders.
Thc value of the tender in dispute amounted to R647 429

29 FINANCIAL RISK MANAGEMENT

The activities of the District Municipality exposed it to a variety of financial risks, including market risk (comprising currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The District Municipality's:

29.1 **Foreign Exchange Currency Risk:**
The District Municipality does not engage in foreign currency transactions.

29.2 **Interest Rate Risk:**
The District Municipality is mainly exposed to interest rate risk due to the movements in long-term and short term interest rates:

The risk is management on an on-going basis.

29.3 **Credit Risk:**
Credit risk is the risk that a counter party to a financial asset will fail to discharge an obligation and cause the District Municipality to incur financial loss.

Credit risk arises mainly from cash and cash equivalents, instruments and deposits with bonks and financial institutions , as well as credit exposures to grant debtors.

For banks and financial institutions, only independently rated parties with minimum rating of "B+" are excepted. Grants are receivable from higher ordcr levels of government.

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FRANCES BAARD DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

		2008 R	2007 R

29.4 Liquidity Risk:

Liquidity risk is the risk that the District Municipality will encounter difficulty in raising funds to meet commitments associated with financial liabilities.

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding from an adequate amount of commited credit facilities and the ability to close out market positions.

The financial liabilities of the District Municipality are backed by appropriate assets and it has adequate liquid resources. The District Municipality monitors the cash projections by ensuring that borrowing facilities are available to meet its cash requirements.

No signaficant financial risk pretaining to creditors exists except for mainly operational risks that are not covered in here.

APPENDIX A

FRANCES BAARD DISTRICT MUNICIPALITY: ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2008

	Cost / Revaluation					Accumulated Depreciation					
	Balance at 01/07/2007	Additions	Under Construction	Disposals	Balance at 30/06/2008	Balance at 01/07/2007	Additions	Disposals	Balance at 30/06/2008	Carrying Value	Budget Additions 2008
COMMUNITY ASSETS											
Land & Buildings	106,676	-	-	-	106,676	3,556	3,566	-	7,121	99,554	
Security Measures	112,654	6,280	-	-	118,934	33,519	22,802	-	56,321	62,613	6,280
Total: Community Assets	219,330	6,280	-	-	225,610	37,074	26,368	-	63,442	162,168	6,280
OTHER ASSETS											
Land & Buildings	12,241,769	1,025,393	4,189,657	-	17,456,819	3,410,075	330,066	-	3,740,141	13,716,678	8,352,470
Office Equipment	491,441	72,211	-	105,752	457,899	325,590	61,912	104,374	283,129	174,771	324,000
Furniture & Fittings	255,077	362,300	-	3,078	614,299	125,060	29,079	896	153,243	461,056	362,300
Plant & Machinery	415,360	36,916	-	-	452,276	82,461	81,289	-	163,750	288,527	15,000
Emergency Equipment	393,269	49,910	-	-	443,179	216,452	42,323	-	258,775	184,404	70,000
Motor Vehicle	2,429,277	160,000	-	66,840	2,522,436	1,264,448	374,962	66,840	1,572,570	949,866	310,000
Computer Equipment	2,064,063	817,446	-	323,970	2,557,539	1,659,540	365,480	321,929	1,703,091	854,448	817,446
Total; Other Assets	18,290,256	2,524,176	4,189,657	499,641	24,504,448	7,083,626	1,285,112	494,039	7,874,699	16,629,750	10,251,216
TOTAL ASSETS	18,509,586	2,530,456	4,189,657	499,641	24,730,059	7,120,700	1,311,480	494,039	7,938,141	16,791,918	10,257,496

APPENDIX B

FRANCES BAARD DISTRICT MUNICIPALITY: SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2008

	Cost					ACCUMULATED DEPRECIATION				
	Balance at 01/07/2007	Additions	Under Construction	Disposals / Adjustments	Balance at 30/06/2008	Balance at 01/07/2007	Additions	Disposals / Adjustments	Balance at 30/06/2008	Carrying Value
Executive and Council	168,326	215,046	-	10,091	373,280	96,331	50,821	10,091	137,061	236,220
Finance & Admin	17,226,940	1,957,388	-	432,048	18,752,280	6,519,365	1,079,512	428,628	7,170,249	11,582,031
Planning & Development	328,349	254,481	4,189,657	57,501	4,714,986	194,569	55,854	55,320	195,104	4,519,882
Health	192,753	-	-	-	192,753	33,470	36,464	-	69,934	122,819
Community & Social Services	10,608	4,624	-	-	15,232	8,003	495	-	8,498	6,734
Housing	-	50,410	-	-	50,410	-	6,741	-	6,741	43,668
Public Safety	582,610	48,508	-	-	631,118	268,962	81,592	-	350,554	280,564
Sport & Recreation	-	-	-	-	-	-	-	-	-	-
Environmental Protection	-	-	-	-	-	-	-	-	-	-
Waste Management	-	-	-	-	-	-	-	-	-	-
Road Transport	-	-	-	-	-	-	-	-	-	-
Water	-	-	-	-	-	-	-	-	-	-
Electricity	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	18,509,587	2,530,456	4,189,657	499,641	24,730,059	7,120,701	1,311,480	494,039	7,938,141	16,791,918

APPENDIX C

FRANCES BAARD DISTRICT MUNICIPALITY: SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE AS AT 30 JUNE 2008

Actual Income 2007 R	Actual Expenditure 2007 R	Surplus / (Deficit) 2007 R		Actual Income 2008 R	Actual Expenditure 2008 R	Surplus / (Deficit) 2008 R
1,075,664	(10,873,161)	(9,797,497)	Executive and Council	893,000	(11,819,022)	(10,926,022)
58,374,997	(11,250,553)	47,124,444	Finance & Admin	61,792,154	(13,092,990)	48,699,164
14,788,503	(44,085,850)	(29,297,347)	Planning & Development	11,935,026	(43,872,072)	(31,937,046)
87,000	(1,236,390)	(1,149,390)	Health	100,000	(1,348,618)	(1,248,618)
-	(584,731)	(584,731)	Community & Social Services	-	(807,020)	(807,020)
-	-	-	Housing	420,774	(370,364)	50,410
689,958	(1,559,113)	(869,155)	Public Safety	645,389	(1,555,656)	(910,267)
-	-	-	Sport & Recreation	-	-	-
-	-	-	Environmental Protection	-	-	-
-	-	-	Waste Management	-	-	-
-	-	-	Road Transport	-	-	-
12,357	(36,817)	(24,460)	Water	20,880	(20,877)	3
-	-	-	Electricity	9,970	(9,967)	3
-	-	-	Other	-	-	-
75,028,479	**(69,626,615)**	**5,401,864**	**SUB TOTAL**	**75,817,193**	**(72,896,587)**	**2,920,605**
-	-	-	Less: Inter-Departmental Charges	-	-	-
75,028,479	**(69,626,615)**	**5,401,864**	**TOTAL**	**75,817,193**	**(72,896,587)**	**2,920,605**

APPENDIX D1

FRANCES BAARD DISTRICT MUNICIPALITY: ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE) FOR THE YEAR ENDED 30 JUNE 2008

	Actual R	Budget R	Variance R	Variance %	Explanation of Significant variances greater than 10 % versus Budget
REVENUE					
Service charges	11,620	18,260	(6,640)	-57.14%	Over budget in respect of the 2007/08 financial year
Rental of facilities and equipment	59,358	30,000	29,358.38	49.46%	Additional Rental - Clinic building not budgeted for
Interest earned - external investments	9,033,937	6,250,000	2,783,937	30.82%	Under budget due to conservative budgeting practices
Interest earned - outstanding debtors	550	3,400	(2,850)	-517.95%	Over Budget in respect of 2007/2008 financial year
Income for agency services	667,264	650,000	17,264	2.59%	Deviation not significant
Government grants and subsidies	65,258,339	57,588,195	7,670,144	11.75%	Positive variance as per expenditure occurred in respect of grants received and revenue not anticipated
Other income	770,772	1,017,000	(246,228)	-31.95%	
Gains on disposal of property, plant and equipment	15,352	-	15,352	100.00%	Positive variance as per expenditure occurred in respect of grants received and revenue not anticipated
Total Revenue	75,817,193	65,556,855	10,260,338	13.53%	
EXPENDITURE					
Employee related costs	20,039,638	22,626,895	(2,587,257)	-12.91%	Budget according to approved organogram and vacant new positions not filled during the year under review
Remuneration of Councillors	3,560,852	3,932,940	(372,088)	-10.45%	Deviation not significant
Bad debts	15,114	-	15,114	100.00%	Amount not significant
Collection costs	218,814	50,000	168,814	77.15%	Over spending due to higher collection rate by external levy inspectors than anticipated
Depreciation	1,311,004	1,292,770	18,234	1.39%	Deviation not significant
Repairs and maintenance	774,151	1,861,140	(1,086,989)	-140.41%	Over budget to accommodate maintenance needs of council property
Interest on external borrowings	-	-	0	-	Not applicable
Bulk purchases	13,570	54,800	(41,230)	-303.83%	Over budget in respect of the 2007/08 financial year
Contracted services	3,140,234	5,606,945	(2,466,711)	-78.55%	Projects not completed as per Service Delivery and Budget Implementation Plans in relation to various projects by different departments.
Grants and subsidies paid	38,942,807	42,056,510	(3,113,703)	-8.00%	Deviation not significant
General expenses - other	4,874,799	6,703,665	(1,828,866)	-37.52%	Over estimates in respect general expenditure by various departments
Loss on disposal of property, plant and equipment	5,603	-	5,603	100.00%	Deviation not significant
Total Expenditure	72,896,587	84,185,665	(11,289,07[illegible])	-15.49%	

APPENDIX D2

FRANCES BAARD DISTRICT MUNICIPALITY: ACTUAL VERSUS BUDGET (ACQUISITION OF PROPERTY PLANT AND EQUIPMENT) FOR THE YEAR ENDED 30 JUNE 2008

Revenue	Actual R	Budget R	Variance R	Variance %	Explanation of Significant variances greater than 10 % versus budget
COMMUNITY ASSETS					
Land & Buildings	-	-	0	100.00%	Not applicable
Security Measures	6,280	6,280	0	0.00%	
Total: Community Assets	**6,280**	**6,280**	**0**	**0.00%**	
OTHER ASSETS					
Land & Buildings	1,025,393	8,352,470	(7,327,077)	-714.56%	Building of council chambers rolled over to next financial year
Office Equipment	72,211	324,000	(251,789)	-348.69%	Amount previously budgeted under office equipment transferred to furniture & fittings
Furniture & Fittings	362,300	362,300	0	0.00%	
Plant & Machinery	36,916	15,000	21,916	59.37%	Donated Equipment by Dwaf
Emergency Equipment	49,910	70,000	(20,090)	-40.25%	Amount not significant
Motor Vehicle	160,000	310,000	(150,000)	-93.75%	Motor vehicle for housing not procured due to financial constrainst i.r.o. housing Grant
Computer Equipment	817,446	817,446	0	0.00%	
Total Other Assets	**2,524,176**	**10,251,216**	**0 (7,727,040)**	**-306.12%**	
TOTAL ASSETS	**2,530,456**	**10,257,496**	**(7,727,040)**	**-305.36%**	

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CHAPTER 5

Functional Area Service Delivery Reporting

Function	Sub-Function	Page
General Information		
Executive & Council		
Office of the Municipal Manager		
Finance		
	Procurement	
Administration		
	Local Economic Development	
	Environmental Health	
	Community Development	
	Corporatc Services	
	IT/GIS	
	Firefighting & Disaster Management	
Technical Services		

FRANCES BAARD DISTRICT MUNICIPALITY
GENERAL INFORMATION

Reporting Level	Detail	Total	
Overview:	Inroads have been made in terms of the outcomes and service targets set in 2006/07. The municipality is in better shape notwithstanding service delivery backlogs. • 79% of households in the district have access to basic sanitation • 93% of the households have access to basic waterwater supply • 75% of households have access to electricity		
Information:	***<Provide statistical information on (as a minimum):>***		
	Geography:		
1	Geographical area in square kilometres Note: Indicate source of information	*12,384 sq. km.* *FBDM Transport Plan*	
	Demography:		
2	Total population Note: Indicate source of information	*324,798* *Census 2001*	
3	Indigent Population Note: Indicate source of information and define basis of indigent policy including definition of indigent	*46,088* *DWAF Water Services Report*	
4	Total number of voters	*144,372*	
5	Aged breakdown: - 65 years and over - between 40 and 64 years - between 15 and 39 years - 14 years and under Note: Indicate source of information	 *17,415* *75,946* *145,095* *84,426* *Census 2001*	
6	Household income: - over R3,499 per month - between R2,500 and R3,499 per month - between R1,100 and R2,499 per month - under R1,100 per month Note: Indicate source of information	 *63,298* *7,209* *0* *14,718*	

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
Basic service delivery and infrastructure development	Implement an infrastructure development and investment model. (Ensure a dynamic relationship between population growth projections, service delivery backlogs, revenue generation capacity and institutional capacity).	91%	100%
	Provide basic municipal services to residents in Koopmansfontein. (water, sanitation, electricity, refuse removal, roads and health services).	98%	100%
	Provide identified maintenance of municipal infrastructure in category B Municipalities,the DMA and FBDM.	83%	100%
	Percentage compliance to the conditions as set out in the approved Roads Agency Agreement.	95%	100%
	Facilitate sustainable human settlement developments through engagement with sector departments in line with the Integrated Development Plan (IDP).	81%	
	Establish phase one of a basic housing unit to accommodate the new housing function in terms of the conditions set out in the Service Delivery Agreement. (SLA)	80%	
Municipal Institutional Development and Transformation	Implement and improve a Performance Management System (PMS), aligned to the Integrated Development Plan (IDP) of the municipality.	84%	100%
	Amend and operationalise an organisational structure, aligned to the Integrated Development Plan (IDP) of the municipality.	92%	100%
	Amend and implement effective administrative and institutional systems, structures and procedures: (HR and Financial Policies, Bylaws and Communication Systems)	77%	100%
	Manage the interface between the Mayoral Committee and Council, aligned to the administrative and political priorities of Council.	100%	100%
	Operationalise integrated human resource management systems.	60%	100%
	Implement and improve Customer Services.	90%	100%
	Implement and maintain an IT System and website for the Distict Municipality.	60%	100%
	Review District IDP with support to the Category B municipalities.	95%	100%
Good Governance and Public Participation	Compliance to set procedures in ensuring adherence to legislation for community participation in terms of planning, budgeting, implementation, monitoring and reporting.	100%	100%
	Maintain relationships with organised business, through transparent, professional and accountable actions.	80%	100%
	Set prosedures to ensure adherence to legislation for community participation in terms of planning, budgeting, implementation, monitoring and reporting.	100%	100%
	Ensure regular communication with communities on achievements and targets of the municipality.	100%	100%
	Provide support to the DMA Committee to ensure effective functioning.	90%	100%
	Build capacity of community-based organisations to enhance effective participation.	45%	100%
	Build relationships with organised business, labour and civil society through transparent and accountable actions.	67%	100%
	Develop and implement an anti-corruption strategy for the municipality in terms of the national strategy.	80%	100%
	Ensure the effective functioning of the financial and performance audit committee.	95%	100%
	Introduce and maintain mechanisms to ensure disclosure of financial interest.	100%	100%
	Implement an effective communication strategy to promote transparency, public accountability, access to information and administrative justice and responsiveness.	97%	100%
	Achieve and maintain unqualified audit reports.	100%	100%
Municipal Financial Viability and Management	Implement sound financial practices in terms of the MFMA's priorities and timeframes.	90%	100%
	Ensure the development of financial management policies and by-laws. (supply chain management, credit control, tariff and investment policies)	93%	100%
	Introduce and operationalise integrated financial management systems.	93%	100%
	Ensure the achievement of set financial viability targets.	97%	100%
	Ensure the achievement and maintenance of unqualified financial and performance audit reports.	100%	100%
	Implement and comply with financial legislation including the Property Rates Act and the Division of Revenue Act.	80%	100%
Local Economic Development	Undertake a detailed analysis of growth and develpement in the District (LED)	40%	100%
	Incorporate the comparative and competitive advantages of the district municipality into the existing LED Strategy and programme.	50%	100%
	Enclose economic development analysis, land-use policies and spatial representation of the local economic development vision in the Spatial Development Framework.	80%	100%
	Provide institutional capacity to implement LED programmes and to create a conducive environment for shared growth in the district.	60%	100%

Function:	Executive and Council

Reporting Level	Detail	Total
Overview:	The governance system of the Frances Baard District Council is a mayoral committee system. The Council is also comprised of Section 80 Committees (Finance, Policy & Institutional Development, Social Development, Infrastructure Development and Economic Development). Council is made up of 25 members - 10 female, 15 male.	
Description of the Activity:	**The function of executive and council within the municipality is administered as follows and includes:** The Executive Mayor heads the municipality and fulfills this governance task in collaboration with the 24 councillors. 14 of these councillors represent the Category B municipalities in the district and 10 councillors were elected through proportional representation, 1 councillor represents the District Management Area (DMA).The Mayoral Committee functions in a manner similar to that of a cabinet with its main function to ensure integration of the work of the Council across political portfolios and departments. The Speaker is a councillor elected as chairperson of the Municipal Council as per legislation and presides over the meetings of council. The Speaker also oversees the effective functioning of the council committee system. The committees of Council meet on a monthly basis and formulate recommendations based on their portfolios. **The municipality has a mandate to:** Provide a democratic and accountable government Ensure the provision of services to communities in a sustainable manner Promote social and economic development Promote a safe and healthy environment Encourage the involvement of communities and community organizations in the matters of Local Government The district does not yet account for the provision of bulk electricity and water to Category B municipalities as this competency falls in the jurisiction of these municipalities pending the devolution of powers and functions. The housing function is currently the competence of the Provincial Department of Housing & Local Government. However progress has been made to acredit the district municipality for housing delivery.	
Analysis of the Function:		
1	Councillor detail:	
	Total number of Councillors	*25*
	Number of Councillors on Mayoral Committee	*6*
2	Ward detail:	
	Total number of Wards (District, Magareng, Phokwane, Dikgatlong, Sol Plaatje)	*49*
3	Number and type of Council and Committee meetings:	
	Council, Mayoral and Section 80 Committees	
	Council meetings	*10*
	Mayoral Committee meetings	*11*
	Section 80 Committee meetings	*33*

Office of the Municipal Manager

Reporting Level	Detail	Total	
Overview:	The Municipal Manager is the head of administration for the Frances Baard District Municipality. The Municipal Manager and his team of senior managers are appointed on 5-year performance based contracts. The Municipal Manager is the interface between the political and administrative arms of the municipality, and also interface with the community on a regular basis. As the administrative nucleus of the municipality, the Municipal Manager provides strategic diretion with regard to govemance and administration. Without assuming the status of a department, the Office has to accomodate specific specialist units in the municipality. These include Internal Auditing, Communication and Committee Services.		
Description of the Activity:	The above-mentioned functions are administered as follows: **Committee Services:** Compile agendas and minutes for Council and its Committees as well as administrative support. **Communication:** Encourage and create conditions for the local community and other stakeholders to participate in the affairs of the district municipality. **Internal Audit:** Conducting performance, financial and compliance audits and providing consulting services to management. **The strategic objectives of this function are to:** The formation and development of an efficient, effective and accountable administration. **The key performance areas for 2007/08 are:** • Municipal Institutional Development and Transformation • Infrastructure Development and Basic Service Delivery • Local Economic Development (LED) • Municipal Financial Viability and Management • Good Govemance and Public Participation		
Analysis of the Function:	***<Provide statistical information on (as a minimum):>***		
	1 Number and cost to employer of all municipal staff employed:	*7*	*R 1,650,368.14*
	- Managerial/Specialist	*2*	*R 638,632.51*
	- Proffessional/Supervisory	*2*	*R 394,510.50*
	- Office (Clerical/Administrative)	*3*	*R 617,225.13*
	- Contract Staff	*0*	
	Note: total number to be calculated on full-time equivalent (FTE) basis, providing detail of race and gender according to the breakdown described above. Total cost to include total salary package		

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
The formation and development of an efficient, effective and accountable administration	Implementation of the Internal Audit Services	60%	100%
	Implementation of the Communication Services	100%	100%
	Management of the Municipality	100%	100%
	Implementation of Council Resolutions	100%	100%
	Implementation of national and provincial legislation applicable to the municipality	95%	100%
	Implementation and participation in IGR structures	80%	100%

Reporting Level	Detail
Overview:	The Department of Finance is responsible for the following key performance areas: • Ensuring sustained financial viability for maximum development support• Sound financial administration• Financial monitoring and reporting•Internal control over Council's financial activities and •Equitable financial advisory support to all stakeholders internally as well as externally to Category B Municipalities. The department consists of the following sub-directorates: Directorate Finance, Revenue & Expenditure Management, Budget & Treasury Office and the Supply Chain Management which will be dealt with seperate under procurement.
Description of the Activity:	•***Directorate Finance:*** This sub-directorate is mainly responsible for the effective and effiencient oversight and management of the council's assets, liabilities, revenue and expenditure according to prescribe legislation.
	•***Revenue & Expenditure Management:*** This Sub-Directorate is solely responsible for the effective and efficient management of revenue & debt collection; expenditure and payroll management; cash & investment management as well as motor vehicle fleet and asset management.
	•***Budget & Treasury Office:*** Is primarily responsible for the district municiplaity's financial reporting and budgeting as per MFMA requirements and guidelines provided by National Treasury. The unit also play a signaficant financial management support role to the Category B municipalities in the district area with regard to the newly developed financial and budgeting reforms framework adopted and prescribed by National Treasury.
	•***Supply Chain Management Unit:*** The unit is mainly responsible for the implementation of a supply chain management system that is fair, equitable, competitive, transparent and cost effective to ensure best value for money and to applies the highest possible ethical standards in order to promotes local economic development.
Strategic objectives:	***The strategic objectives of the Department Finance are:***
	- To ensure financial management oversight, monitoring and implementation of approved performance management system as per ligislation, regulations and policy framework aplicable.
	- To ensure the effective and efficient implementation of expenditure and payroll management as per legislative framework
	- To enusre the effective and efficient revenue and debt collection management as per legislative requirements and polcy framework.
	- To ensure the effective and efficient management of cash and investments as per ligislative and policy framework applicable to council
	- To ensure effective and efficient management of council's motor vehicle fleet and assets as per prescribed legislation, regulations and policies
	- To ensure the effective and efficient implementation of budget and flunancial reforms as prescribed by National Treasury.

Key focus areas of perfomance:	**The key issues for the 2007/08 financial year are:**		
	- To ensure 100% effective financial management implemetation of departmental functions as prescribed in terms of the MFMA. - To improve the budget and planning system in compliance with MFMA. - To ensure that the budget is fully aligned with the IDP. - To ensure 100% compliance with regard to financial reporting to all stakeholders as prescribed in terms of the MFMA. - To ensure 100% compliance with regard to GAMAP / GRAP implementation. - To implement effective asset and risk management policies. - To establish a framework to assist category "B" municipalities with regard to financial management support and capacity building.		
	- To ensure the implementation of an effective system for expenditure control in compliance with MFMA requirements.		
	- To ensure 100% implementation of the supply chain management regulations and approved policy of council.		
Analysis of the Function:	*<Provide statistical information on (as a minimum):>*		
1	***Debtor billings: number and value of monthly billings:***		*R (000s)*
	Water at Koopmansfontein	*<total>*	*<total>*
	- Number and amount billed in respect of Koopmansfontein water services for the financial year under review.	*38*	*R 11,620*
	Note: create a suitable table to reflect monthly billed and received (against billed) across debtors by function (eg: water, electricity etc)		
2	***Debtor collections: value of amount received and interest: (See table below)***	*Received*	*Interest*
	Only water function at Koopmansfontein	*R 10,579*	*None*
	Note: create a suitable table to reflect amount received from that month's billings plus interest from the previous month across debtors by function		
3	***Debtor analysis:*** Amount outstanding over 30, 60, 90 and 120 plus days:	*<value>*	*R 1,041*
4	***Write off of debts:*** Number and value of debts written off:		*R (000s)*
	- Total debts written off each month across debtors by function (eg: water, electricity etc)	*None*	*None*
	Note: create a suitable table to reflect write offs each month across debtors by function	N/A	N/A
5	***Property rates (Residential)***		*R (000s)*
	- Number and value of properties rated	*280*	*N/A*
	- Number and value of properties not rated	*N/A*	*N/A*
	- Number and value of rate exemptions	*N/A*	*N/A*
	- Rates collectible for the current year	*N/A*	*N/A*
	Property in the District Management Area (DMA) valued but property rates not yet implemented.		
6	***Property rates (Commercial)***		*R (000s)*
	- Number and value of properties rated	*N/A*	*N/A*
	- Number and value of properties not rated	*N/A*	*N/A*
	- Number and value of rate exemptions	*N/A*	*N/A*

	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Total
Received	1,089.80	551.78	630.42	678.42	819.84	946.87	1,048.46	1,723.67	1,005.80	571.12	1,009.09	503.73	10,579.00
Billed	679.67	934.42	1,176.81	999.08	1,283.21	1,219.81	1,258.08	1,134.36	890.74	745.53	722.44	575.85	11,620.00
	Days outstanding 30	Days outstanding 60	Days outstanding 90	Days outstanding 120									
Amount	R 162.00	R 94.00	R 63.00	R 720.00									

	- Rates collectible for the current year	*N/A*	*N/A*
7	***Property valuation:***		
	- Year of last valuation	*<year>*	*2004*
	- Regularity of valuation	*<cycle>*	*4*
8	***Indigent Policy:***		
	- Quantity (number of households affected)	*<total>*	*32*
	- Quantum (total value across municipality)	*<value>*	*R 12,418*
9	***Creditor Payments:***	*R (000s)*	
	<List creditors here>	*<value>*	*<age>*
	Note: create a suitable table to reflect the five largest creditors individually, with the amount outstanding over 30, 60, 90 and 120 plus days	*None*	*None*
10	***Credit Rating:***		
	<List credit rating details here>		*<date>*
	List here whether your Council has a credit rating, what it is, from whom it was provided and when it was last updated	*N/A*	-
11	***External Loans:***	*<Received> R (000s)*	*<Paid> R (000s)*
	- Total loans received and paid during the year	*None*	*None*
	Note: Create a suitable table to reflect the balance of each external loan at the beginning of the year, new loans raised during the year and loans repaid during the year as well as the balance at the end of the year. Interest rates payable on each loan,	-	-
12	***Delayed and Default Payments:***		
	<List delayed and default payments here>	*<value>*	*<date>*
	List here whether Council has delayed payment on any loan, statutory payments or any other default of a material nature	*None*	*None*
	Note: This information need not be reported here if reported as notes to the accounts.		

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Unit of measurement	Current	Target
Budget and Treasury	Comply to the timeframes of the MFMA in preparation of the budget and the prescribed reporting to National Treasury.	Percentage compliance.	90%	90%
	Submit monthly, quarterly and annual reports to Council, National and Provincial Treasuries in terms of the MFMA.	Percentage compliance.	97%	100%
	Submit Mid-Year Report to Council, National and Provincial Treasury as per the MFMA.	Percentage compliance.	100%	100%
	Submit Annual Finanacial Statements to Auditor-General according to the format and prescriptions of GRAP.	Percentage compliance.	100%	100%
Financial Management	Exercise monthly control and reconciliation of general ledger accounts and reporting.	Percentage compliance.	100%	100%
Financial Management Support & Capacity Building	Ensure support in terms of financial management, the roll-out of MFMA and budget reform implementation in category B municipalities.	Percentage compliance.	70%	80%
Revenue Management	Implement an effective system for collection and receipt of grant funding as per DORA allocations promulgated.	Percentage compliance.	100%	100%
	Develop and implement a Property Rates Policy for the DMA as per applicable legislation.	Percentage compliance.	85%	100%
	Review and implement revenue policies as required by the MFMA.	Percentage compliance.	100%	100%
	Recover consumer and sundry debt exceeding 90 days.	Percentage compliance.	94%	95%
Credit Control	Review and implement the approved credit control and debt collection policy.	Percentage compliance.	100%	100%
Expenditure Management	Implement an effective system for expenditure control in compliance with MFMA requirements.	Percentage compliance.	100%	100%
	Apply an effective cash flow and investment management system as per approved policy.	Percentage compliance.	100%	100%
	Maintain and secure a general ledger accounting system.	Percentage compliance.	100%	100%
	Review and implement an effective expenditure and supply chain management policy as per MFMA.	Percentage compliance.	80%	100%
Asset & Risk Management	Implement an effective asset and risk management system in compliance with the requirements of the MFMA.	Percentage compliance.	100%	100%

Department Finance - Procurement

Reporting Level	Detail	Total	
Overview:	Procurement in the Frances Baard District Municipality is conducted in accordance with the prescripts of Chapter 11 of the MFMA and the Preferencial Procurement Policy Act no 5 of 2000. The purpose and objective of the preferential procurement policy is to provide a framework within which to give effect to the principles of preferential procurement while insuring adherance to transparent economic, efficient and effective procurement practices.		
Description of the Activity:	**The function of procurement within the municipality is administered as follows and includes:**		
	The Supply Chain Management Unit in the Department of Finance controls and manage all procurement of the municipality. Any amount above R200 000 is put to tender. The Adjudication and Tender the Adjudication and Tender Committees are responsible for the finalisation of the tender process.		
	The strategic objectives of this function are to:		
	To give effect to prescribed legislation on supply chain management		
	To ensure that public funds are managed in an efficient way so that all segments of the South African population benefit from such expenditure		
	To address the imbalances of the past		
	To strike a balance between empowering Historically Disadvantaged Individuals (HDI's) and value for money procurement		
	To stimulate and promote local economic development		
	To promote small and emerging business, especially locally based enterprise		
	To obtain the best service and products at the most competitive prices within the frasmework of existing legislation applicable to procurement.		
Key focus areas of perfomance:	**The key issues for 2007/08 are:**		
	To ensure 100% implementation of the supply chain management regulations and approved policy of Council..		
Analysis of the Function:	*<Provide statistical information on (as a minimum)>*		
	1 **Details of tender / procurement activities:**		
	- Total number of times that tender committee met during year	11	
	- Total number of tenders considered	11	
	- Total number of tenders approved	11	
	- Average time taken from tender advertisement to award of tender	25 - 35 days	
	Note: Figures should be aggregated over year across all municipal functions		
	2 **Composition of tender committee:**		
	Tender Specification Committee		
	Composition according to expertise and experience required.		
	Tender Evaluation Committee		
	PiMSS Manager		
	Manager :LED		
	Manager : Physical Infrustructure Development		
	Manager : Fire and Disaster Management		
	Manager: IDP/PMS Manager		
	Manager: IT/GIS		
	Assistant Director: Budget &Treasury Office		
	Tender Adjudication Committee		
	Municipal Manager:		
	Director Finance & Administration:		
	DirectorTechnical Services:		
	Director Planning and Development:		
Key Performance Area	**Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance**	**Current**	**Target**
Supply Chain Management	Implement the supply chain management regulations and approved policy.	75%	100%

Department Administration

Reporting Level	Detail	Total	
Overview:	The Directorate Administration is responsible for the provision of an effective and efficient administration. The core functions includes the overall management, co-ordination and monitoring of projects to ensure a sustained human resource and corporate support function.		
Description of the Activity:	The Department Administration is composed of the following sub-directorates: • Fire and Disaster Management • Community Development • Environmental Health • Corporate Services • Local Economic Development & Tourism • Information Technology **The department's mandate includes:** • Human Resources and Institutional Transformation • Local Economic Development • Social Development • Democratic Governance **The strategic objectives of this department are to:** • Ensure that all IT/MIS projects are implemented • Ensure the promotion and implementation of an integrated human resources management and development programmes. • Ensure the implementation of the Integrated Institutional Plan for the municipality • Ensure implementation of approved LED and Tourism business plans. • Ensure the promotion, support and implementation of approved social development • Ensure the promotion and implementation of approved Environmental Health programmes. • Ensure the development of the Disaster Management Plan and compliance with Disaster Management Act **Key Issues for 2007/08 are:** • Review/ completion of HR policies and alligned to eppropriate legislation • Implementation of PMS for all staff and performance indicators and performance reviewed on a quartely basis • Development of a comprehensive Workplace Skills Plan (WSP) • Implementation of the Employment Equity Plan • Upgrading of the server room and network system • Development of the District LED Strategy • Promotion and support to registered SMME's in the District • Completion of the District Growth and Development Strategy • Promotion and support of job creation initiatives within the whole district		
Analysis of the Function:	*<Provide statistical information on (as a minimum):>* 1 Number and cost to employer of all municipal staff employed: - Professional (Managerial/Specialist) - Field (Supervisory/Foremen) - Office (Clerical/Administrative) - Non-professional (blue collar, outside workforce) - Temporary Staff - Contract Staff Note: total number to be calculated on full-time equivalent (FTE) basis, providing detail of race and gender according to the breakdown described above. Total cost to include total salary package	*1* *None* *16* *6* *1* *4*	*R 585.407* *None* *R 1. 006 659.75* *R 280 051.91* *R 4,622.72* *R 1.*

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
Municipal institutional development and transformation	Completed and submitted Emploment Equity report to Dept: Labour	100%	100%
	Completed and submitted the WSP to LGSeta	100%	100%
	Succesfully complied with statutory obligations	100%	100%
	Succesfully implemented PMS for all managerial and clerical staff	100%	100%
	Developed and succesfully implemented Employee Assistance Programme	100%	100%
	Succesfully completed the upgrade of the server room and the network system	100%	100%
Good governance and public participation	Succesfully utilized the Dicretionary Funds to provide relief to vulnerable communities during disasters	70%	100%
	HIV/ AIDS and other approved social programmes successfully extended throughout the District	70%	100%
Local Economic development(LED)	Developed and completed the District LED strategy	100%	100%
	Koopmansfontein Craft Project successfully registered as a Coorporative	100%	100%

Department Administration:
Corporate Services

Function:	**Administration**
Sub Function:	**Corporate Services**

Reporting Level	Detail	Total	
Overview:	Provision of an effective and efficient corporate management service		
Description of the Activity:	Corporate Management Services is internally focused. The basket of services rendered by the unit ensures that the municipality and council function optimally. The sub-directorate consists of the following sub-units: Office Support (Repography, Cleaning and Archive Services) and Human Resources **The strategic objectives of this function are to:** To effectively and efficiently manage all administrative services vested in the department of administration **The key issues for 2007/08 are:** ▪ Development and allignment of HR Policy and with relevant legislation. ▪ Submission of the Employment Equity Plan to DOL. ▪ Submission of the WSP to LGSETA. ▪ Implementation and monitoring of the PMS.		
Analysis of the Function:	*Number and cost to employer of all municipal staff employed:*	21	R 1, 904.815.18
	Number and cost to employer of all municipal staff employed:	115	R 20, 039. 638
	- Professional (Managerial/Specialist)	2	R 671 180
	- Field (Supervisory/Foremen)	none	<cost>
	- Office (Clerical/Administrative)	9	R 1, 006. 659.75
	- Non-professional (blue collar, outside workforce)	6	R 280 031.91
	- Temporary Staff	1	R 4,622.72
	- Contract Staff	1	R 21 200.00
	Note: total number to be calculated on full-time equivalent (FTE) basis, providing detail of race and gender according to the breakdown described above. Total cost to include total salary package		

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
Municipal institutional and developmental transformation	The drafting of HR Policies and allignment with relevant legislation.	90%	100%
	Submission of the WSP to the LGSETA	100%	100%
	Submission of the Employment Equity report.	100%	100%
	Statutory obligations: successfully complied.	100%	100%
	Implementation of PMS as per councils policy: Successfully undertaken	100%	100%
	Percentage success in the issue of EAP advocacy programme	50%	100%

Department Administration:
Local Economic Development

Reporting Level	Detail	Total	
Overview:	The Sub-Directorate Local Economic Development is a sub function of the Department Administration. It's primary mandate is derived from Section 152 (c) of the Constitution		
Description of the Activity:	The function of economic planning / development within the municipality		
	• The promotion of the economic profile of the District ,		
	• Capacity building of local communities with the necessary skills for economic and social development,		
	• Attraction of investment to the District through the creation of an investment friendly environment,		
	• Provide a channel for network information between business and sector departments and communities.		
	The strategic objectives of this function are:		
	• SMME Development and Support		
	• Formation of Public-Private Partnerships		
	• Investment Promotion		
	• Tourism development		
	The key issues for 2007/08 are:		
	• Completion and adoption of the District LED Strategy		
	• Support and assistance to SMME's		
	• Development of an investment and marketing strategy		
	• Support rendered to SMMEs in the District to showcase Tourism products		
	• Provide ongoing support to Koopmansfontein Craft Project		
	• Plan and launch the District Growth and Development Summit		
	• Facilitate Public/Private Partnership with PWC to establish a clay brick manufacturing plant		
Analysis of the Function:	<Provide statistical information on (as e minimum):>		
1	Number and cost to employer of all economic development personnel:		R 979,355
	- Professional	1	R 608,202
	- Non-professional	5	R 316,217
	- Blue Collar	1	R 54,933
	Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package		
2	Detail and cost of incentives for business investment:	n/a	R (000s)
	Note: list incentives by project, with total actual cost to municipality for year:	n/a	R (000s)
	Getaway Show		R35 000.00
	Tourism Month Celebration		R30 000.00
	Tourism Show Case Western Cape		R40 000.00
	Indaba Trade Expo		R60 000.00
	Advertisng		R204 652.80
3	Detail and cost of other Urban Renewal Strategies:(DGDS)	n/a	R232 616.96
	Note: list strategies by project, with total actual cost to municipality for year	n/a	R (000s)
4	Detail and cost of other rural development strategies:	n/a	R (000s)
	Note: list strategies by project, with total actual cost to municipality for year		
5	Number of people employed through job creation schemes:		
	- Short-term employment (Koopmansfontein Craft Project)	16	
	- Permanent Employment - (Future Creations)	55	R100 000.00
	- Temporary employment	n/a	
	Note: total number to be calculated on full-time equivalent (FTE) basis, and should only be based on direct employment as a result of municipal initiatives	n/a	
	Note: Figures should be aggregated over year to include building plan approvals only	n/a	
7	Type and number of grants and subsidies received:	n/a	
	<list each grant or subsidy separately>	<total>	<value>
	Note: total value of specific planning and development grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year.	n/a	

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
District LED Strategy completed and adopted by Council	District Growth & Development Strategy	100%	100%
Support and Assistance to SMME's	Ongoing support and assistance to showcase products and services	100%	100%
Participation of identified SMME's in Tourism Indaba	Successfully showcased SMME products and services	100%	100%

Department Administration: Environmental Health

Function:	Administration		
Sub Function:	Environmental Health		
Reporting Level	**Detail**	**Total**	
Overview:	This Sub-Directorate operates under the ambits of the National Health Act and regulations, National Environmental Management Act, Foodstuffs, Cosmetics and Disinfectant Act and regulations, SANS code, National Air Pollution Act including all other Environmental Health Acts. Reoulations and By-laws.		
Description of the Activity:	The function of Environmental Health within the municipality is administered as follows and includes: The rendering of enviromental health services directly to communities in the DMA and on an agency basis to local municipalities. The function includes the identification, monitoring, evaluatuion, facilitation of all environmental health issues within the DMA, Magareng and Dikgatlong Municipalities and the rural hinterland of Phokwane Municipality. These service include:Food sampling, evaluation of food and non- food premises, water sampling, health educatuion, pauper burials and exhumations, evaluation and upgrading of landfill, pollution monitoring and poverty alleviation projects **The strategic objectives of this function are to:** Maintain an efficient and effective delivery of Environmental Health Services within the District **The key issues for 2007/08 are:** ▪ Monitoring end evaluation of Food Premises and Non -Food premises ▪ Monitoring end evaluation of water and senitation environment. ▪ Management of Health risks in the Local Municipelities. ▪ Facilitate HIV/AIDS programmes. ▪ Coordinate control and spreeding of possible disease outbreaks ▪ Planning end implemenlation of recycling projects. ▪ Feclitete end implement cleanup campaigns.		
Analysis of the Function:	<Provide statistical information on (as a minimum):>		
1	Number end cost to employer of all municipal staff employed:	4	R 824 728,90
	- Professional (Managerial/Specialist)	3	546 753,80
	- Contract Staff	1	278 005,10
2	Number, cost of public,private premises servicing population:		
	Monitoring and evaluation of Food Premises.	418	
	Monitoring and evaluation of Non Food Premises	91	
	Foodsample taken (from total district)	272	
3	Special projects:		
	HIV/Aids campaigns	10	R46 358,97
	Clean-up campaigns	11	R40 079,00
	Recycling projects	1	R82 878,00
	fencing of oxidation Ponds	1	R 75 198,00
	Fencing of Landfill site	2	R37 105,26
	Establishment of Enviro Clubs	3	R 3 215,00
	Implimentation of river health project	3	R 13 650,00

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
Evaluation of food premises to ensure compliance to all relevant legislation	Succesfull implementation	76%	100%
Take food samples to ensure compliance with legislation	Succesfull implemention	85%	100%
Present and facilitate HIV/ AIDS awareness campaigns throughout the district	Succesfull implemention	75%	100%
Implementation of recycling projects.	Succesfull implemention	50%	100%
Implementation of clean-up campaigns	Succesfull implemention	100%	100%
Implementation of recycling projects.	Succesfull implemention	50%	100%
Implementation of clean-up campaigns	Succesfull implemention	80%	100%
Fencing of Oxidation Ponds at Windsorton	Succesfull implemention	100%	100%

Department Administration: Community Development

Function:	**Administration**
Sub Function:	**Communtiy Development**

Reporting Level	Detail	Total	
Overview:	The provision of various community and social development services		
Description of the Activity:	**The strategic objectives of this function are to:** ▪ Ongoing liaisons with various stakeholders including the communities within the district. ▪ Assisting communities to receive access government and private donor programmes (i.e access to Social Grants from Social Services, ID's and birth certificates from Home Affairs) ▪ Assist in creating awareness around HIV/ AIDS and the distribution of promotional material		
Analysis of the Function:	**The key issues for 2006/07 are:** *Provision of a stable social environment conducive to social development* *<Provide statistical information on (as a minimum):>*		
1	Number and cost to employer of all municipal staff employed: - Professional (Managerial/Specialist) - Field (Supervisory/Foremen) - Office (Clerical/Administrative) - Non-professional (blue collar, outside workforce) - Temporary Staff - Contract Staff Note: total number to be calculated on full-time equivalent (FTE) basis, providing detail of race and gender according to the breakdown described above. Total cost to include total salary package	2 *none* *none* *none* *none*	331 578,00 *<cost>* *<cost>* *<cost>* *<cost>*
2			

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
HIV/ AIDS and related deseases	Successfully Implemented	88%	100%
Community outreach programmes	Successfully Implemented	100%	100%
Community capacity building	Successfully Implemented	100%	100%
Participatory governance programme	Challenge: Failure to extend services to vulnerable communities in the DMA due to budgetary constraints. Lack of commitment from sector departments especially to the far lying areas in the DMA. Municipal Boundaries that are not the same same as those that are used by sector departments	60%	100%
Community Crime prevention and Social Security programmes	Successfully Implemented	100%	100%

Department Administration:
Information Communication Technology / Geographic Information Systems

Function:	Administration		
Sub Function:	Information Communication Technology		
Reporting Level	**Detail**	**Total**	
Overview:	Provision of IT and GIS functions in the district		
Description of the Activity:	The function of information communication technology within the municipality is administered as follows and includes: **The strategic objectives of this function** are: Provision of IT services to end-users in the municipality and the development of implementation of GIS functions for the district. **The key issues for 2007/08** are: ▪ Ensure the municipality has an effective and efficient IT system for storage, manipulation and dissemination of information. ▪ Updating, repair or maintenance of printer and hardware that could be attended to within three working days of the request. ▪ Retrieve lost data ▪ Maintenance of the IT Network Layout Plan.		
Analysis of the Function:	<Provide statistical information on (as a minimum):>		
1	Number and cost to employer of all municipal staff employed:		
	- Professional (Managerial/Specialist)	4	241,401.73
	- Field (Supervisory/Foremen)	1	R 236.068.93
	- Office (Clerical/Administrative)	none	<cost>
	- Non-professional (blue collar, outside workforce)	none	<cost>
	- Temporary Staff	none	<cost>
	- Contract Staff	2	R 5, 332.80
	Note: total number to be calculated on full-time equivalent (FTE) basis, providing detail of race and gender according to the breakdown described above. Total cost to include total salary package		

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
IT Systems	Ensure the municipality has an effective and efficient IT system for storage, manipulation and dissemination of information.	100%	100%
	Percentage of requests for the updating, repair or maintenance of printer and hardware that could be attended to within two working days of the request.	65%	100%
	Success rate in retrieving the lost data.	100%	100%
	Percentage progress made with the maintenance of the IT Network Layout Plan.	85%	100%
	Review capacity needs for users.	Ongoing	Ongoing
	Percentage of database system set-up and maintenance for various FBDM users that did not bomb up or major adjustments during the measurement period (procurement, IT hardware and software infrastructure).	82%	100%
	Percentage of the required times that the FBDM's information has been safely backed-up with a 1 years recovery cycle.	100%	100%

Function:	**Administration**
Sub Function:	**Fire Fighting & Disaster Management**

Reporting Level	Detail	Total	
Overview:	The provision of Fire Fighting and Disaster Management services within the district		
Description of the Activity:	The Fire Fighting and Disaster Management sub-directorate is responsible for: The implementation of the Disaster Mangement Act (Act 57 of 2002). The function include amongst others:the development and update of the District Disaster Risk Management Plans, the establishment of the District Disaster Management Centre and the Satelite Disaster Management Centres within the Category "B" municipalities, the recruitment and training of volunteers in the handling of incidents of the identified risks, fullfill the Disaster Management mandate in the Category "B" municipalities, the implementation of the Veld and Forest Fires Act (Act 100 of 98) which includes the establishment of Fire Prevention Associations (FPAs) within the District and the training and equipping of FPAs. **The strategic objectives of this function are to:** To manage Fire fighting and Disaster Management services for the District **The key issues for 2007/08 are:** ▪ Implementation of the approved Disaster Management Plan ▪ Develop of a planning document for the establishment of the District Disaster Management Centre ▪ Veldfire fighting training for the emerging farmers in the District ▪ Establishment of FPA's in the District.		

Reporting Level	Detail	Total	
Analysis of the Function:			
1	**Number and cost to employer of all municipal staff employed:**		*R635180*
	- Professional (Managerial/Specialist)	*1*	*398074*
	- Field (Supervisory/Foremen)		*0*
	- Office (Clerical/Administrative)NEAR	*5*	*237106*
	- Non-professional (blue collar, outside workforce)VOLUNTEERS	*100*	*0*
	- Temporary Staff		*0*
	- Contract Staff		*0*
	Note: total number to be calculated on full-time equivalent (FTE) basis, providing detail of race and gender according to the breakdown described above. Total cost to include total salary package		
2	**Number of call outs attended**		
	Emergency call outs:		
	Veldfires:		
	District Municpal Area	1	
	Dikgatlong	1	
	Magareng	1	
	Phokwane	2	
	Structural fires:		
	Dikgatlong Dwelling	g	
	Phokwane Dwelling	3	
	Phokwane Wholesaler	1	
	Note: the total number registered, based on call classification at municipality.		
3	**Average response time to call outs**	2 min	
4	**Total number of Disasters occurred:**	0	
	Total number of incidents:		
	Floods	0	
	Veldfires	5	
	Gailforce winds (Damage to Structures):	0	
5	**Total number and type of emergencies leading to a loss of life or Disaster**	1	
6	**Type and number of grants and subsidies received:**		
	NEAR grant, Fire Fighting grant	2	R823 000
	Note: Total value of specific public safety grants actually received during the year to be recorded over five quarters- April to June last year, Jul- Sept, Oct to Dec, Jan-Mar, Apr to Jun this year.		
7	Total operating cost of Fire and Disaster function		R1 555 656

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
Training of Fire prevention Associations in fire fighting techniques	Successfully Completed	100%	100%
Development of planning document for the establishing of the District Disaster mangement Centre.	Successfully Completed	100%	100%
Assistance in terms of disasters/ incidents in conjunction with municipalities	Successfully Completed	100%	100%

Reporting Level	Detail
Overview:	The provision of infrastructure development ,road maintenance, mechanical support, and housing services in the district.
Description of the Activity:	**The Directorate Technical Services is managed as follows:** The Sub-Directorate: Physical Infrastructure Development is responsible for the development of infrastructure in Category B Municipalities and the DMA. It also provides basic services to rural settlements in the DMA. Funds allocated for infrastructure development in the Category B Municipalities either from the MIG or PIG grants as well as own capital budget are channelled through this Sub Directorate. A total of R17 194 770 was allocated for infrastructure development. Most of these funds were spent on basic needs projects. Due to the lack of maintenance on Municipal infrastructure, a pilot site for operations and maintenance was established at District level. This pilot site is operated in co-operation with DWAF, DH&LG, DBSA and SIDA. In total an amount of R6 065 641was spent on upgrading of infrastructure and training of personnel. The Roads Maintenance section is an agency function for the Provincial Department of Transport, Roads and Public Works. Some proclaimed roads are maintained on behalf of the provincial department. The funding for this function has not kept pace with the growing demand and difficulties are experienced in the maintenance of the district roads. The Mechanical Support Function forms part of the roads agency. The primary aim is to offer mechanical support to the Roads Maintenance Section. Mechanical Support is also provided to the eastern region of the Provincial Roads Maintenance section. To a lesser degree, mechanical assistance is provided to the DM in terms of its own vehicle fleet. The municipality is currently going through a process to get accredited to perform the housing function. **The municipality has a mandate on:** Service Delivery and eradication of backlogs **The strategic objectives of this function are to:** • To effectively manage all administrative services vested in the Department of Technical Services. • To effectively manage the Roads Agency Function • To effectively manage Infrastructure development • To effectively implement National Key Performance Indicators **Key issues for 2007/08 are:** • Provide water and sanitation to targets set by National Govemment • Completion of business plans or project plans • Work within parameters of SLA with Department of Transport Roads and Public Works • Number of jobs created through the municipality's initiatives and capital projects

Reporting Level	Detail	Total	
Analysis of the Function:			
	1 Number and cost to employer of all municipal staff employed:		R 5,235,464.27
	- Senior Professional (Managerial/Specialist)	*6*	R 1,706,743.45
	- Field (Supervisory/Foremen)	*5*	R 989,723.84
	- Office (Clerical/Administrative)	*2*	R 318,711.14
	- Non-professional (blue collar, outside workforce)	*30*	R 2,220,285.84
	- Temporary Staff	*0*	
	- Contract Staff	*0*	
	Note: total number to be calculated on full-time equivalent (FTE) basis, providing detail of race and gender according to the breakdown described above. Total cost to include total salary package		
	Number of households with services, and type and cost of service:		
	- Pit latrine with ventilation (Urine diversion systems)	*35*	
	- Water provision (in house)	*35*	
	Anticipated expansion of services:		
	- Electricity supply (house connections)		
	Free Basic Service Provision		
	- Sanitation	*35*	R 0.00
	- Water provision (6 kl per household per month)	*35*	R 10,650.00
	- Electricity supply	*35*	R 9,608.00
	Frances Baard District Municipality provides free basic services (water and sanitation) to RDP Standards to the communities residing in the DMA. Sol Plaatje, Magareng, Phokwane and Dikgatlong Municipality each provide sanitation to RDP standards while Magareng, Dikgatlong and Phokwane provide free basic water (6 kl) only to indigents. Sol Plaatje provides 12 kl to indigents. Of the 76 855 households in the district, 28 663 of these are registered indigents. In essence this indicates that 37% of the district is indigents.		
Key Performance Area	**Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance**	**Current**	**Target**
Reduction of backlog in Basic Infrastructure	An amount of R17 194 770 was allocated to spend on backlogs in the local municipalities. R4 361 769 was also rolled over from the previous year. A total amount of R17 226 638 (80%) were spent on water & sanitation, electricity, roads and community services such as parks and cemeteries.	100%	100%
Provide sustainable basic services in Koopmansfontein	Free Basic Services were provided to the Koopmansfontein community without any interruption during the year.	100%	100%
Maintenance of municipal infrastructure in district	An amount of R1 157 544 from DWAF as well as R1 965 512 from own funds were spent on operation and maintenance activities in the local municipalities. A further R2 942 585 was committed to major O & M projects still to be completed. All applications for assistance with O & M were met.	100%	100%
Road Agency function	The budget was R6 033 600. A total amout of R5 889 951 (98%) were spent according to an aproved Business Plan. A total of R231 956.26 was paid over to the Department of Transport, Roads and Public Works to cover PR50 costs on a monthly basis. All payments and reporting were done to the relevant authorities in time.	100%	100%

GLOSSARY

CPMD	-	Certificate Programme in Management Development for Municipal Finance
DBSA	-	Development Bank of South Africa
DGDS	-	District Growth Development Strategy
DMA	-	District Management Area
DWAF	-	Department Water Affairs & Forestry
EAP	-	Employee Assistance Programme
ELMDP	-	Executive Leadership Municipal Development Programme
EPWP	-	Expanded Public Works Project
FBDM	-	Frances Baard District Municipality
FPA	-	Fire Prevention Association
GIS	-	Geographic Infortmation System
GRAP	-	Generally Recognised Accounting Practice
IDP	-	Intergrated Development Plan
IGR	-	Inter-Governmental Relations
KPA	-	Key Performance Area
KPI	-	Key Performance Indicator
LED	-	Local Economic Development
LGSETA	-	Local Government Sector Education & Training Authority
MFMA	-	Municipal Finance Management Act
MIG	-	Municipal Infrastructure Grant
NEAR	-	National Emergency Alarm Radio System
O&M	-	Operation and Maintenance
PAYE	-	Pay As You Earn
PMS	-	Performance Management System
PMU	-	Project Management Unit
QAR	-	Quality Assessment Review
SDBIP	-	Service Delivery & Budget Implementation Plan
SDF	-	Spatial Development Framework
SIDA	-	Swedish International Development Agency
SITE	-	Standard Income Tax Employees
SLA	-	Service Level Agreement
WSP	-	Workplace Skills Plan

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